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# The *Cost* of Protecting Vulnerable Children *IV*

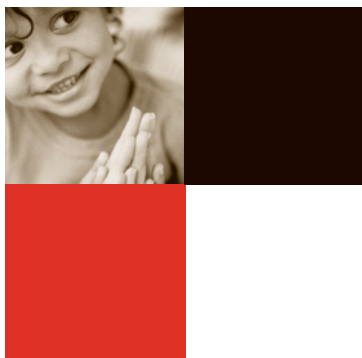
How Child Welfare  
Funding Fared during  
the Recession



THE URBAN INSTITUTE



Assessing  
the New  
Federalism



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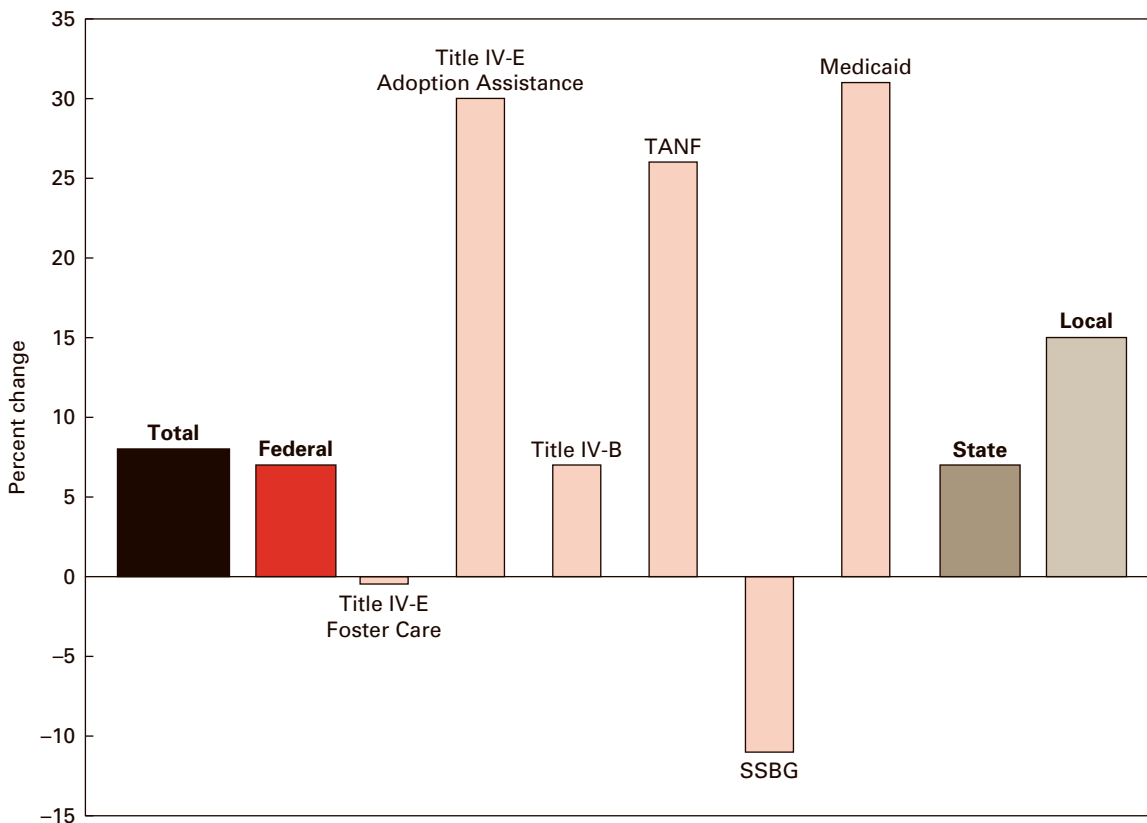
We thank Emilie Stoltzfus and Karen Spar for their suggestions and comments on both the design of the survey and early drafts of this report. We thank the following researchers and Urban Institute staff for their thoughtful comments on early drafts: Rutledge Hutson, MaryLee Allen, Olivia Golden, Tracey Feild and Matt Stagner. We thank Larry Cutler and Timothy Westmoreland for their help in explaining the use of Medicaid for child welfare activities, and Alexis Clark for providing state claims and allocation data for titles IV-E and IV-B. We also thank Fiona Blackshaw and Scott Forrey for their help with the production process. Finally, we greatly appreciate the work of Matt Buettgens and An-Lon Chen in developing and maintaining the web-based survey.

# Executive Summary

**C**hild welfare agencies provide a safety net for abused and neglected children and children at risk of abuse and neglect. Federal, state, and local government funding supports all services provided by the state child welfare agencies. However, the amount of funding from federal, state, or local sources varies greatly by state and can be affected by both national and state-specific events. Our findings document the amount states spent on child welfare activities in state fiscal year (SFY) 2002, the funding sources they used, how funds were used, and how funding has shifted since federal welfare reform and ASFA.

- Based on a consistent definition of child welfare funding from SFY 1996, child welfare spending continued to increase through SFY 2002. States spent \$22.2 billion in federal, state, and local funds in SFY 2002. This total represents an 8 percent (\$1.5 billion) increase since SFY 2000 and a 34 percent (\$5.3 billion) increase since SFY 1996 based on analysis of 46 states.

## Change in Spending on Child Welfare Activities between SFY 2000 and SFY 2002 by Funding Source



Sources: Urban Institute 2001 and 2003 Child Welfare Surveys.

Notes: Changes in total, federal, title IV-E Foster Care, title IV-E Adoption Assistance, title IV-B, TANF, SSBG, Medicaid, state, and local spending based on analysis of 46, 48, 35, 33, 50, 47, 44, 42, 48, and 34 states, respectively. SSBG includes transferred TANF funds.



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- **All components of child welfare funding—federal, state, and local—increased spending between SFY 2000 and SFY 2002.** Federal spending for child welfare activities increased by 7 percent (\$748 million), state spending by 7 percent (\$538 million), and local spending by 15 percent (\$341 million). Federal funds make up more than half of the expenditures for child welfare activities. Based on analysis of 49 states, federal funds accounted for 51 percent of total spending, state funds for 37 percent, and local funds for 12 percent.
  - **Increases in TANF and Medicaid spending accounted for nearly all the increase in federal funding.** TANF spending increased 26 percent (\$468 million) and Medicaid spending increased 31 percent (\$254 million) from SFY 2000. Together, the two funding streams accounted for 97 percent of the change in federal spending between SFY 2000 and SFY 2002.
  - **State and local funding increased despite state fiscal pressures in SFY 2002.** However, expenditures in SFY 2002 were just beginning to be affected by the downturn in the economy. It will be important to assess whether the increases were sustained in SFY 2004 when state budget pressures were greater, as indicated in other studies.
  - **Spending on adoption continued to increase.** Of all the uses (out-of-home placements, adoptions, administration, and other services), spending on adoption appears to have increased the most between SFY 2000 and SFY 2002, increasing by \$708 million. An increase in adoption spending was expected, given the mandates of ASFA and the subsequent movement of children from foster care to adoption or subsidized guardianship. Adoption costs are expected to continue to increase as the cumulative number of children receiving adoption subsidies increases.
  - **Nondedicated funding sources—TANF, SSBG, and Medicaid—accounted for half of total spending on out-of-home placements.** Despite the fact that title IV-E is an open-ended entitlement dedicated to reimbursing states for the cost of foster care for eligible children, the use of TANF, SSBG, and Medicaid to cover the costs of administration, support services, or room and board associated with children in out-of-home placements exceeds that of title IV-E. This may be attributed to declining eligibility for title IV-E reimbursement because of its link to 1996 income levels, the block grant feature of TANF and SSBG that does not require a state match, or the use of Medicaid to serve children with more physical, mental, and behavioral health needs.
  - **Spending on child welfare activities varied considerably among the states.** While total child welfare spending increased nationally, 13 states saw a decline in total spending. In addition, 16 states saw declines in federal spending, 14 states saw declines in state spending, and 5 states saw declines in local spending. Similarly, although TANF and Medicaid accounted for nearly all of the federal increase nationally, TANF spending declined in 17 states and Medicaid spending declined in 12 states.

The significant variation we observe across states, as well as the variation among states over time, appears to be the result of a complex array of state-specific issues. While caseload differences are a factor in explaining the variation, they are not the only and are probably not the main influence on expenditures. The variation we observe in states' financing of child welfare apparently reflects factors including, but not limited to, caseload size differences, state priorities and policy

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choices, policy changes, court decisions and mandates, and efforts to maximize federal resources.

If we have learned anything from our analysis of child welfare spending over the past six years, it is that states' financing of child welfare is prone to significant changes over relatively short periods. Several factors

make future financing of child welfare activities uncertain, including changes in state economic conditions, congressional proposals to alter federal financing, and potential restrictions on child welfare agencies' use of non-dedicated federal funds. Caseload size and changes in caseloads do not seem directly related to the uncertainty.







# The Cost of Protecting Vulnerable Children IV

## INTRODUCTION

Child welfare agencies provide a safety net for abused and neglected children and children at risk of abuse and neglect. In 2002, child welfare agencies received approximately 2.6 million referrals involving 4.5 million children for suspected abuse or neglect.<sup>1</sup> Some children are able to remain in their homes, while others must be removed and placed in foster care or with relatives until they can return home. An estimated 532,000 children were in foster care as of September 30, 2002 (U.S. DHHS 2004b). Unfortunately, some children cannot return home.

These children are either adopted, are placed permanently with relatives or other caregivers, or “age out” of the system (i.e., they turn 18 or 21 and exit the system). Federal, state, and local government funding supports the full array of services provided by public child welfare agencies. However, the amount of funding coming from federal, state, or local sources varies greatly by state and can be affected by both national and state-specific events.

Spending on child welfare activities reflects a complex network of state and federal statutory requirements. State expenditures on child welfare are influenced by state statutes

that define abuse and neglect and establish necessary actions and services. In turn, these state statutes are interpreted by state and federal courts in relation to individual children, and many courts have specifically directed what services states are required to provide. States must also meet federal requirements to receive federal money. Titles IV-B and IV-E of the Social Security Act are the principal sources of federal funds dedicated for child welfare activities.<sup>2</sup> Other federal programs, such as the Social Services Block Grant (SSBG), Temporary Assistance for Needy Families (TANF), and Medicaid, as well as several mandatory and discretionary grants, are also used for child welfare purposes.

## Federal Changes That Affect Child Welfare Spending

Three federal laws were enacted in the 1990s that changed federal policy and have affected spending for child welfare activities—the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, the Adoption and Safe Families Act (ASFA) of 1997, and the Foster Care Independence Act of 1999.<sup>3</sup>

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PRWORA changed the nation's welfare system by ending the individual entitlement to cash assistance and giving states considerable flexibility in the assistance programs they operate. Although PRWORA made few direct changes to the nation's child welfare system, it did change four federal funding streams used for child welfare activities.<sup>4</sup>

- PRWORA eliminated Emergency Assistance (EA), an uncapped entitlement program, which states were permitted to use for child welfare activities including prevention, family preservation, foster care, family reunification, and parenting education. Funds from the EA program were folded into the TANF block grant.
- PRWORA eliminated the Aid to Families with Dependent Children (AFDC) program, also an uncapped entitlement program. However, states are still required to determine eligibility for title IV-E Foster Care and Adoption Assistance based on a child's eligibility for AFDC as it existed in their state's plan on July 16, 1996. Therefore, states must base a child's eligibility for title IV-E on a program and need standards that no longer exist in practice and are not adjusted for inflation.
- PRWORA reduced the authorization level for SSBG by 15 percent. SSBG provides funding for a variety of social services, including child welfare-related activities such as preventive, protective, foster care, and adoption services.
- PRWORA eliminated the individual functional assessment as a mechanism for determining eligibility for the federal Supplemental Security Income (SSI) program, making it more difficult for children to be determined eligible. Between 1991 and 1996, many children were determined SSI-eligible based on the individual functional assessment. If children are in a traditional foster home without specialized services receiving SSI, this may benefit the state because unlike title IV-E, SSI requires no state match.

ASFA sought to provide states with the necessary tools and incentives to achieve the original goals of the 1980 Adoption Assistance and Child Welfare Act (PL 96-272): safety, permanency, and child and family well-being. The impetus for ASFA was a general dissatisfaction with states' performance in achieving these goals for children and families. The law placed safety as the paramount concern in decisionmaking about child welfare cases and the delivery of child welfare services, clarified when reasonable efforts to prevent removal or reunify children with their families were not required, and required criminal record checks of prospective foster and adoptive parents. To promote permanency, ASFA shortened the time frames for conducting permanency hearings, required states to make reasonable efforts to finalize a permanent placement, and established time frames for filing petitions to terminate parental rights for certain children in foster care. To promote adoption and give states an incentive to increase the number of children adopted from foster care, \$20 million was authorized for each year between federal fiscal years (FFY) 1999 and 2003.<sup>5</sup> States receive \$4,000 for each finalized adoption of a child in foster care above an established baseline, or \$6,000 if that child has special needs and can also count toward the state exceeding its baseline of special needs adoptions.<sup>6</sup>

The Foster Care Independence Act of 1999 changed the name of the title IV-E Independent Living Program to the Chafee Foster Care Independence Program, and increased funding for the program from \$70 million to \$140 million. In addition, the Act required states to extend services to youth who have aged out of foster care, allowed states to extend Medicaid coverage to former foster children age 18 to 21, and removed the minimum age requirement for independent living services. The Promoting Safe and Stable Families Amendments of

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2001 also permitted the use of Chafee funds for education and training vouchers for eligible youth: youth who reach age 21 and are enrolled in a postsecondary education or training program toward which they are making satisfactory progress may continue to receive vouchers up to age 23.<sup>7</sup>

## Previous Findings

Since 1997, the Urban Institute has attempted to track how federal laws and other events affect states' spending on child welfare activities. The first round of the Urban Institute Child Welfare Survey in 1997 gathered SFY 1996 expenditure data from 48 states and the District of Columbia. These data provided a baseline on what was occurring before the 1996 federal welfare reform was implemented. Our 1997 survey found that total spending in SFY 1996 was \$14.7 billion, and that states varied significantly in their spending from federal, state, and local sources (Geen, Waters Boots, and Tumlin 1999; Waters Boots et al. 1999).<sup>8</sup> The survey also found that state child welfare agencies were using a large amount of funds not dedicated for child welfare activities (e.g., Medicaid, title IV-A EA, SSBG) to meet the needs of the children and families they serve. In addition, the survey found that states were spending relatively little on services to prevent abuse and neglect, services to prevent children from entering foster care, or services to reunify children with their families.

A second round in 1999 collected SFY 1998 data and examined changes in spending between SFY 1996 and SFY 1998. Our 1999 survey found that total spending in SFY 1998 was \$15.7 billion<sup>9</sup> and that child welfare spending was unstable; many states saw relatively large changes in their child welfare spending during the short time between the surveys (Bess, Leos-Urbel, and Geen 2001). It

also found that states continued to rely heavily on funds not dedicated for child welfare and spent little money on services to prevent abuse and neglect, services to prevent children from entering foster care, or services to reunify children with their families. Finally, the survey found that states' reliance on welfare dollars (EA in 1996 and TANF in 1998) dropped considerably in two years.

The third round of the survey, conducted in 2001, collected SFY 2000 data and examined spending changes between SFY 1998 and SFY 2000 and, when possible, between SFY 1996 and SFY 2000. Our 2001 survey found that total spending in SFY 2000 was \$20 billion and that welfare reform had clearly affected child welfare financing: spending on title IV-E maintenance payments declined, states relied more heavily on TANF funds, and spending of SSBG funds declined substantially (Bess et al. 2002). The survey also found that spending from all sources—federal, state, and local—increased, but federal spending had increased the most since SFY 1998. As in the previous surveys, states' reliance on non-dedicated federal funds continued, but a large increase in the use of TANF dollars allowed states to create or expand support programs for children and families involved with child welfare systems.

This paper presents the findings of the 2003 Urban Institute Child Welfare Survey, which collected SFY 2002 expenditures. In addition to presenting spending by source and by use, it analyzes changes in spending between SFY 2000 and SFY 2002, as well as changes between SFY 1996 and SFY 2002 when possible. The survey was designed to continue tracking the impact of welfare reform on child welfare expenditures and to identify how, if at all, economic changes both nationally and at the state level affected child welfare spending.

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## Methodology

Collecting and comparing child welfare expenditures across states is difficult for two reasons. First, child welfare agencies do not always serve the same populations. In some states, the child welfare agency is responsible for delinquent, homeless, and runaway youth in addition to abused and neglected children. In other states, the child welfare agency may only be responsible for abused and neglected children. Second, states may not be able to document all the spending from the various funding streams available for child welfare. Federal funding for child welfare activities includes block grants that may be used for multiple purposes by multiple agencies, and states cannot always determine what portion was used for child welfare. In addition, many child welfare agencies receive funds from the state that combine state and federal funds, and cannot separate the funding sources. Some states also have difficulty reporting local spending accurately because localities may not be required to report spending to the state.

To adjust for this variation, the Urban Institute survey uses standardized definitions of child welfare expenditures to make the data as comparable as possible across states (table 1). States were asked to provide the expenditure data for the programs, case management, administration, and operation of their child welfare systems. These data include staffing and administrative expenses and expenditures on services provided by another agency under contract to the child welfare agency. States were instructed to exclude capital costs, appropriated but unexpended funds, and expenditures on services that the child welfare agency may be responsible for, but that are not included in our definition of child welfare services, such as services for delinquent youth.

It is also important to note that this survey only collects and documents expenditures

on child welfare activities by state and local public child welfare agencies. We do not document expenditures by other agencies, such as the state welfare agency, on child welfare activities, nor do we include expenditures by private organizations unless they receive funding through the public child welfare agency. The distinction is important when examining our TANF and Medicaid expenditure data. Thus, our Medicaid data do not include any expenditures for direct health care services. Similarly, our TANF data do not include expenditures by the welfare agency, even if such expenditures may benefit families involved with the child welfare system.

In May 2003, we mailed the survey to each state child welfare director. The states' responses to our 2001, 1999, and 1997 surveys were also sent back for confirmation or adjustments. Published data from earlier reports may no longer be accurate, as states have updated their SFY 1996, 1998, and 2000 data. The survey was also available in a web-based format, and each state was given a user identification number and password to enter and make changes to their SFY 2002 data. The survey was due back in June 2003, but data collection continued through December 2003. Urban Institute staff conducted extensive phone, facsimile, and e-mail follow-up with each state to ensure data were properly interpreted. In addition, administrators from all 51 states (including the District of Columbia) were given the opportunity to participate in a 30-minute phone interview to provide us with a better understanding of how federal policy and state-specific changes may have affected their spending. We used a semi-structured, open-ended instrument to conduct the phone interviews.

We received survey responses from 49 states and the District of Columbia, with 36 states using the web-based format. For the purposes of this paper, the District of Colum-

**Table 1. Definitions of Child Welfare Expenditures**

• Expenditures	<p><b>Includes:</b> all state fiscal year (SFY) 2002 expenditures for the programs, case management, administration, and operation (including field and administrative staff expenses) of the state's child welfare services system, including all funds for services contracted out to another agency that meet the definition of child welfare below.</p> <p><b>Excludes:</b> capital costs, appropriated but unexpended funds, and recoupment of federal reimbursement from prior years.</p>
• Child welfare	<p><b>Includes:</b> all the following services that are administered by the child welfare agency: services for children and families to prevent abuse and neglect; family preservation services; child protective services (intake, family assessment, investigation, and case management); in-home services; out-of-home placements (see definition below); and adoption services.</p> <p><b>Excludes:</b> domestic violence, juvenile justice, and all other services the child welfare agency may provide that are not listed above.</p>
• Out-of-home placement	<p><b>Includes:</b> payments for all children in family foster care, kinship care, shelter care, group or institutional residential care, independent living, and other placement settings; expenses associated with both in-state and out-of-state placements; expenditures on support services for children in placement (e.g., respite or child care, therapy); and administrative expenses associated with placement (including training).</p> <p><b>Excludes:</b> adoption-related expenses and expenditures associated with reunification services.</p>
• Adoption	<p><b>Includes:</b> all expenditures associated with adoptive and subsidized guardianship placements, including assistance payments, pre- and post-adoption services, support services, nonrecurring adoption expenses, and administrative expenses associated with placement (including training).</p>
• Administrative services	<p><b>Includes:</b> the staff salaries and overhead, but not capital costs, for the following services: intake; investigation; development of case plans; case reviews; case management and supervision; preparation for and participation in judicial determinations; recruitment, licensing, and oversight of foster and adoptive homes and institutions; and other administrative expenses (e.g., budget staff) associated with child welfare services.</p> <p><b>Excludes:</b> administrative expenditures associated with out-of-home placements and adoptions as defined above.</p>
• Other services	<p><b>Includes:</b> all child welfare services not listed in out-of-home placement, adoption, or administrative services definitions above, including all prevention services, child protective services, family preservation services, reunification services, and in-home support services.</p> <p><b>Excludes:</b> other services that may meet the definition of child welfare services that are not administered or contracted out by the child welfare agency (e.g., home visiting programs administered through the state health agency or parenting education programs administered by the state TANF agency).</p>

*Source:* 2003 Urban Institute Child Welfare Survey.

bia is treated as a state. Connecticut was unable to participate in the survey because its staff were unavailable. Phone interviews were conducted between September 2003 and February 2004 with administrators from 26 states, and one state provided written answers to our questions.

In the past three rounds, we received data from 49, 48, and 51 states, respectively. Although we received data from 50 states in this round, some states were unable to provide

all the information requested. Therefore, spending amounts reported below underestimate the true spending. This also limits our analysis of spending over time, and throughout the report the actual number of states included in our analysis is noted. Questions have been added, expanded, or reworded on the survey instrument over the course of the four rounds. Where possible, spending changes between SFY 1996 and SFY 2002 are presented, but the majority of the analysis will



## TOTAL CHILD WELFARE SPENDING

(\$1.5 billion) increase since SFY 2000 and a 34 percent (\$5.3 billion) increase since SFY 1996, based on analysis of 46 states.<sup>10</sup> This rate of growth is less than the 20 percent increase (based on analysis of 47 states) in total spending that occurred between SFY 1998 and SFY 2000, but is greater than the 4 percent rate of growth (based on analysis of 42 states) between SFY 1996 and SFY 1998. These increases occurred while the number as well as the rate of victimized children declined, the number of children in foster care stabilized, and the number of children receiving adoption assistance more than doubled.<sup>11</sup> States varied in their change in total spending (figure 1). The

Legend:

- No comparison possible
- Reduced total spending
- Increased total spending by 10% or less
- Increased total spending by 11-20%
- Increased total spending by 21% or more
- No change

*Note:* Changes are adjusted for inflation.



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median change between SFY 2000 and SFY 2002 was an increase of 6 percent. Thirteen states reported declines ranging from 1 percent to 19 percent. One state reported no change in total spending, and thirty-two states reported increases in total spending, with six states experiencing increases of more than 20 percent.

The increase in total child welfare spending was not driven solely by one source of funds. In fact, spending from all child welfare funding sources—federal, state, and local—has increased since SFY 2000. In SFY 2002, states spent \$11.3 billion in federal funds, \$8.2 billion in state funds, and \$2.6 billion in local funds. Federal spending increased by \$748 million, a change of approximately 7 percent from SFY 2000. State spending increased 7 percent between SFY 2000 and SFY 2002, representing a change of \$538 million. Local expenditures experienced the greatest increase, 15 percent (\$341 million), from SFY 2000. These increases will be discussed further throughout this report.

According to the National Bureau of Economic Research (NBER), the United States experienced a recession from March 2001 to November 2001 (NBER 2003).<sup>12</sup> During this time, many states saw a decline in state expenditures (NGA and NASBO 2002). During the third round of the child welfare survey, state administrators predicted reductions in child welfare spending if the economy weakened. For those states that did suffer spending declines in SFY 2002, state administrators often attributed the reduction in spending to budget cuts and the constrained economy. However, despite the economic situation both nationally and locally in SFY 2002, the increased spending on child welfare activities shown in previous reports continued, though at a lesser rate.

One explanation for the continued increase in child welfare spending in the face of states'

economic crises may simply be the timing of the survey. Expenditures in 2002 were just beginning to be affected by the downturn in the economy, evidenced by the fact that many states were still seeing recessionary impacts on their budgets in 2003 and 2004 (NGA and NASBO 2003). Other possible reasons for the continued increase include state and federal statutory requirements that often drive child welfare spending, gubernatorial or legislative support for child welfare, changes in both the size and composition of caseloads, and efforts to better use the available state and federal funding sources.

Child welfare spending is particularly difficult to predict because of the complex network of state and federal statutory requirements that define which children a state is expected to serve and what constitutes acceptable services. For example, state definitions of abuse and neglect vary widely, eligibility for various services is determined on a state-by-state basis, and states respond differently to parents who voluntarily declare they cannot care for their children. In some states, federal or state courts have specifically directed states about particular services. In addition, the federal government now conducts child and family service reviews in all states, identifying strengths and weaknesses and imposing fiscal penalties if weaknesses are not fixed. Thus, the need to which a state is required to respond and the expenditures necessary to meet that need are very hard to forecast, although many observers believe the current system leaves many needs unmet and does not fully meet requirements. A 2004 U.S. General Accounting Office (GAO) report found that significant organizational challenges, such as staffing and data management, often hinder child welfare agencies' ability to protect children and meet their needs.

Many state administrators acknowledged the support of their governor and/or state

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legislature as the reason child welfare funding was not cut during SFY 2002. Some administrators even pointed out that the child welfare agency was the only state agency that did not experience funding cuts. Such spending might be a signal of commitment by state governors and legislatures to issues surrounding child welfare. Such widespread gubernatorial or legislative support across states may also be the result of the current national climate surrounding child welfare issues. With the advent of the Internet and 24 hour news channels, child deaths or maltreatment within the foster care system quickly become national stories, bringing a deluge of inquiries and unwanted attention to the state. While such tragedies have occurred and been publicized statewide for years, rarely did such cases garner national attention and debate. By continuing to support child welfare funding, governors and state legislatures may be trying to prevent such cases from happening in their states.

Several states noted that spending is often driven by both the size and makeup of their caseloads. Despite a slight decline in foster care caseloads between FFYs 1999 and 2002, child welfare spending on children in out-of-home placements has continued to increase. Administrators interviewed during the 2001 survey pointed to an increased number of children with multiple or severe needs and, subsequently, having to dedicate more funding to residential and special services for this population. The increasing cost of care might explain why spending has continued to increase while foster care caseloads declined.

Finally, many state child welfare agencies embarked on efforts to better use the funding resources already available. These efforts had two general purposes: to obtain federal reimbursement for allowable activities currently paid out of state or local funds, and to shift claiming from federal programs that require a

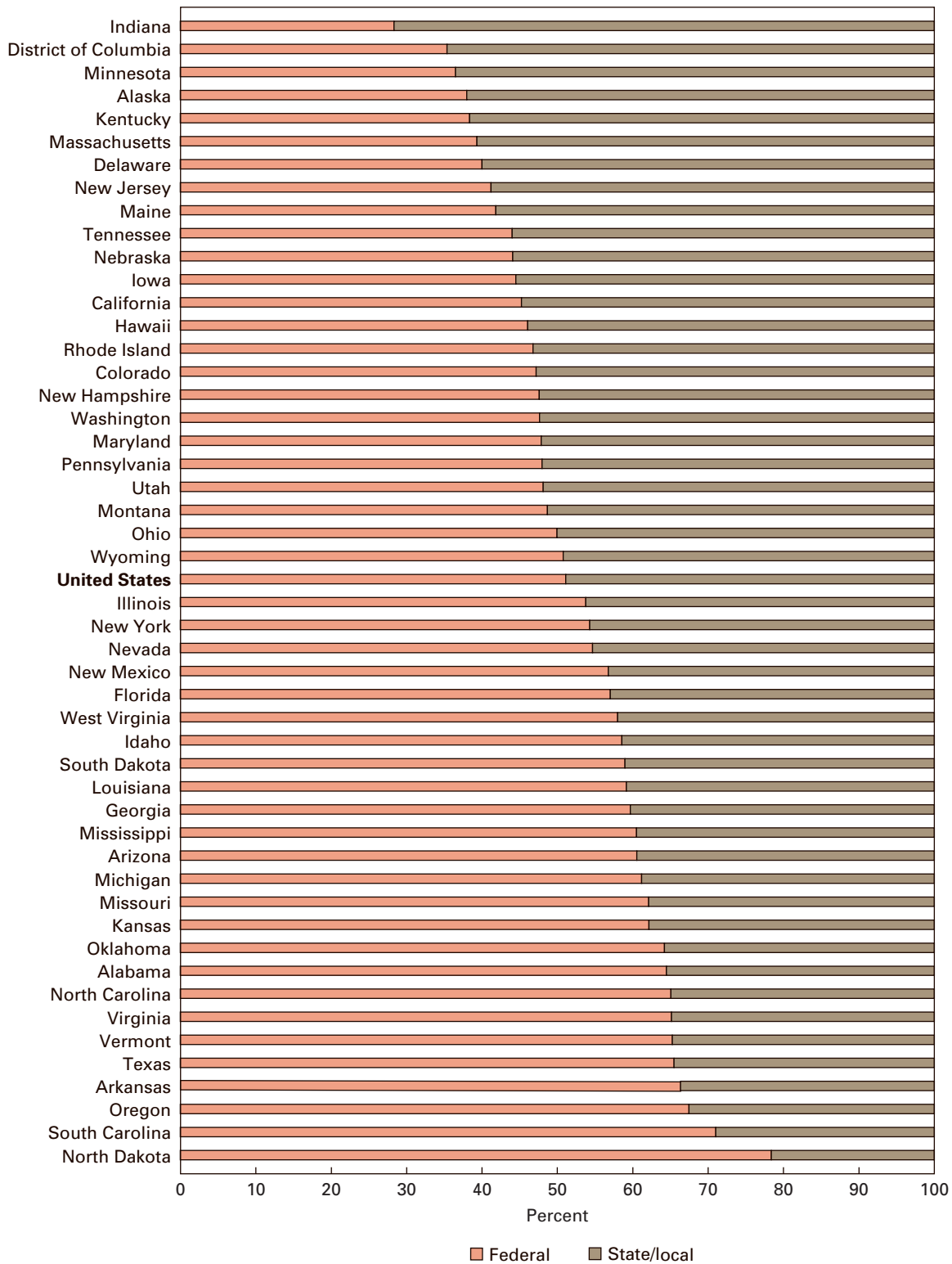
state match to federal programs requiring no or less state match. State administrators reported hiring consulting firms, conducting training on determining eligibility, training counties on proper claiming, improving their random moment sampling (time-study) systems, and seeking out other federal funding streams, such as Medicaid and TANF, for eligible expenses. As a result of these efforts, states that might have seen a decline in spending saw no change or a slight increase.

### **Distribution of Child Welfare Spending**

Federal funds are more than half of the expenditures for child welfare activities. Based on analysis of 49 states, federal funds accounted for 51 percent of total spending, state funds for 37 percent, and local funds for 12 percent.<sup>13</sup> It is important to note, however, that this finding is sensitive to the definition of child welfare spending and the particular states included in the analysis. As discussed above, states are required by both federal law and their own statutes to provide a wide range of child welfare services to children and families. Our definition of child welfare activities may have excluded some services that states may consider child welfare. Excluding those services and the federal or state funds used to pay for them may affect the state-versus-federal expenditures distinction. Further, including (or excluding) a large state could also affect the ratio of spending.

Reliance on federal, state, and local funds varied greatly by state (figure 2). In 15 states, federal funds accounted for more than 60 percent of total spending; in six states they accounted for less than 40 percent. Several factors may explain this variation. First, differences in states' reliance on federal funds may reflect differences in states' abilities to identify and claim expenditures for federal

**Figure 2. Comparing States' Total Child Welfare Spending from Federal and State or Local Sources in SFY 2002**



Source: Urban Institute 2003 Child Welfare Survey.

Notes: Wisconsin and Connecticut did not provide data and are excluded. Includes the District of Columbia.

reimbursement or in how states choose to use federal block grant funds. Second, the federal government reimbursed states at different rates for some child welfare expenditures. For example, the federal share of foster care maintenance payments ranged from 50 to 76 percent depending on the state's per capita income. States with higher per capita incomes, such as Massachusetts, received a lower federal share and were expected to rely less on federal funds. Third, these differences are at least partially a result of differences in states' child welfare caseloads. Not all children in care are eligible for support from certain federal funding streams; therefore, some states may have more children eligible for federally funded support than other states.

States were able to categorize \$17.4 billion of the \$22.2 billion spent on child welfare activities (table 2).<sup>14</sup> States spent \$10 billion on children in out-of-home placements,<sup>15</sup> of which at least \$1.2 billion was spent on support services, \$3.5 billion on room and board, and \$2.6 billion on administration. Twenty-seven states were able to provide complete data for federal, state, and local expenditures on out-of-home placements. Based on analysis of these states, federal funds accounted

for approximately 53 percent of the dollars spent on children in out-of-home placements, state funds for 35 percent, and local funds for 12 percent (figure 3). At least \$2.6 billion was spent on adoptions and support services for adopted children. Approximately \$1.7 billion was spent on administration (as defined in table 1), and \$3.1 billion on other services, such as prevention services, child protective services, and family preservation and support services.

States were also asked to further categorize their federal and state out-of-home placement spending by placement setting. At least \$2.1 billion was spent on children in family foster care settings, including children in relative care, \$1.7 billion on children in residential care, \$187 million on children in shelter care, \$120 million on youth in independent living, \$16 million on youth in the child welfare system who are in correctional facilities, \$319 million on children in therapeutic care, and \$1.3 billion on children in other types of care, such as emergency care, respite care, and psychiatric facilities.<sup>16</sup>

Although out-of-home placements continue to be the largest expenditure by use, substantial increases in expenditures on adoption continue. Between SFY 2000 and SFY

**Table 2. SFY 2002 Child Welfare Spending by Use (\$ millions)**

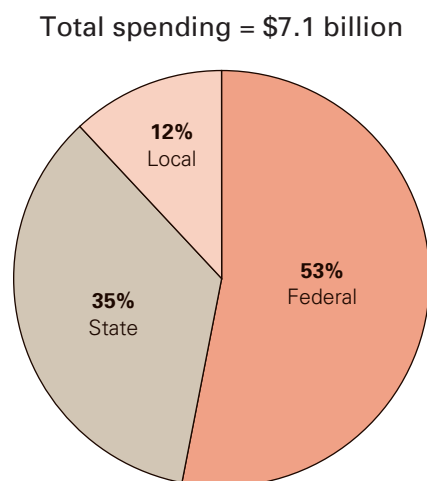
	Total	Federal	State	Local
<b>SFY 2002 Expenditures</b>	<b>\$22,156</b>	<b>\$11,304</b>	<b>\$8,206</b>	<b>\$2,646</b>
Out-of-Home Placements	9,955	6,082	2,806	1,066
Support services	1,238	791	422	25
Room and board	3,522	2,546	812	164
Administration	2,588	2,254	329	5
Uncategorized out-of-home placements <sup>a</sup>	2,606	492	1,243	872
Adoptions	2,580	1,419	1,033	129
Administration	1,727	708	1,006	13
Other	3,103	1,802	944	356
Uncategorized Expenditures <sup>a</sup>	4,792	1,293	2,417	1,081

Source: 2003 Urban Institute Child Welfare Survey.

Note: Numbers may not total because of rounding.

<sup>a</sup>The variety of accounting methods states use to track their spending means that some states were not able to categorize all expenditures according to the Urban Institute's uniform categories.

**Figure 3. SFY 2002 Spending on Out-of-Home Placements from Federal, State, and Local Sources**



Source: Urban Institute 2003 Child Welfare Survey.

Note: Based on data from 27 states.

2002, spending on adoption increased by approximately \$708 million.<sup>17</sup> An increase in adoption spending was expected, given the mandates of ASFA and the subsequent movement of children from foster care to adoption or subsidized guardianship. However, even if the number of children adopted each year begins to decline, the total number of children receiving adoption subsidies will still increase until departures from adoption equal entries. Because children receive adoption subsidies until age 18, it will take a few years before the nation reaches equilibrium. Therefore, adoption costs will continue to increase as the cumulative number of children receiving adoption subsidies increases.

We are unable to determine what portion of the increase in total spending is the result of the large increase in adoption spending. Many states were unable to categorize some or all of their spending for one or more rounds of the survey. For this reason, we do not know how much adoption spending accounts for the change in total spending,

and are unable to track trends in adoption spending over time.

## FEDERAL CHILD WELFARE SPENDING

Titles IV-B and IV-E of the Social Security Act are the principal sources of federal funds dedicated for child welfare activities. Other federal programs, such as SSBG and TANF, and several mandatory and discretionary grants are also used for child welfare purposes. This section focuses on the major federal funding sources for child welfare (table 3).

At least \$11.3 billion in federal funds was spent in SFY 2002 on child welfare activities. This represents an increase of 7 percent, or \$748 million, from SFY 2000 based on data available from 48 states. Of the 48 states included in the analysis, the median change in federal spending was an increase of 4 percent. Fifteen states reported decreases ranging between 1 percent and 27 percent, while three states reported increases greater than

**Table 3. Key Federal Child Welfare Funding Sources, 2002**

Funding Source	Eligible Population	Eligible Services	Funding Level
<b>Title IV-B</b> Subpart 1 (Child Welfare Services)	No eligibility criteria.	Services to prevent abuse and neglect, reduce foster care placements, reunite families, arrange adoption, and ensure adequate foster care.	Nonentitlement capped at \$292 million in 2002. States are required to provide a 25 percent nonfederal match. Expenditures in 2002 totaled \$265 million.
Subpart 2 (Promoting Safe and Stable Families)	No eligibility criteria.	Services to support families and avert foster care, and time-limited services to reunify families and promote adoption.	State entitlement capped at \$375 million in 2002. States are required to provide a 25 percent nonfederal match. Expenditures in 2002 totaled \$283 million.
<b>Title IV-E Foster Care Maintenance Payments</b>	Certain Aid to Families with Dependent Children (AFDC)–eligible children. <sup>a</sup>	Payments to foster care providers to cover basic maintenance, including children’s food and shelter and parental visits. Funds may not be used for direct services.	Open-ended entitlement with federal match equal to state Medicaid matching rate. Expenditures in 2002 totaled \$1.7 billion.
Administration	Expenses associated with title IV-E–eligible children in foster care and proportional administrative expenses for the ongoing protective services population.	Placement services, case management, eligibility determinations, licensing, foster care recruitment, and other administrative activities.	Open-ended entitlement with 50 percent federal match. Expenditures in 2002 totaled \$1.7 billion.
Training	Cost of training proportional to children eligible for title IV-E.	Training of agency staff and foster parents	Open-ended entitlement with 75 percent federal match. Expenditures in 2002 totaled \$154 million.
<b>Title IV-E Adoption Assistance</b> Adoption Payments	Special needs children eligible for AFDC or Supplemental Security Income (SSI).	Payments to adoptive parents—not to exceed comparable foster care amounts—to cover basic maintenance costs, including food, shelter, daily supervision, school supplies, insurance, and incidentals.	Open-ended entitlement with federal match equal to state Medicaid matching rate. Expenditures in 2002 totaled \$978 million.
Administration	Expenses associated with children eligible for title IV-E adoption assistance.	Child placement and other administrative activities.	Open-ended entitlement with 50 percent federal match. Expenditures in 2002 totaled \$239 million.
Training	Cost of training proportional to children eligible for title IV-E.	Training of agency staff and adoptive parents	Open-ended entitlement with 75 percent federal match. Expenditures in 2002 totaled \$39 million.
Nonrecurring Expenses	Special needs children.	Reasonable and necessary adoption fees, court costs, attorney fees, and related expenses.	Open-ended entitlement with 50 percent federal match up to \$2,000 a placement. Expenditures are included in adoption payments above.
<b>Title IV-E Chafee Foster Care Independence Program</b>	Youth (no minimum age) who are likely to remain in care until age 18; youth age 18 to 21 who “aged out” of foster care.	Services include basic living skills training, education, employment initiatives, substance abuse prevention, and preventive health activities. No more than 30 percent of the funds may be used for housing for youth age 18 to 20.	A state entitlement capped at \$140 million in 2002. States are required to provide a 20 percent nonfederal match. Expenditures in 2002 totaled \$132 million.

*(continued)*

**Table 3. Key Federal Child Welfare Funding Sources, 2002**

Funding Source	Eligible Population	Eligible Services	Funding Level
<b>Title IV-E Statewide Automated Child Welfare Information System (SACWIS)</b>	Not applicable.	Funds support state efforts to develop automated child welfare information systems, including costs associated with planning, design, development, and installation.	Open-ended entitlement with ongoing operational costs matched at 50 percent. Expenditures in 2002 totaled \$130 million.
<b>Temporary Assistance for Needy Families (TANF)</b>	Needy families with children (as defined by the state). For those services that meet one of the last two purposes of the program, there is no requirement that families be needy.	Child welfare–related services must meet one of the four purposes of the program <i>or</i> have been in the state’s AFDC plan on September 30, 1995, or August 21, 1996.	A state entitlement (no individual entitlements) capped at \$16.5 billion through 2002. No required state match, but states must spend 75 percent of what they spent in 1994. Expenditures in 2002 for child welfare services totaled \$2.7 billion (including transfers to SSBG).
<b>Social Services Block Grant (SSBG)</b>	Varies by state.	States are given wide discretion in using funds for direct social services, as well as administration, training, and case management.	Of the \$1.7 billion that was appropriated in 2002, approximately \$875 million (excluding TANF transfers) was spent on child welfare services.
<b>Medicaid</b>	Varies by state. Title IV-E–eligible children are categorically eligible. Non-title-IV-E–eligible foster and adopted children are eligible at state option. At state option, eligibility may be extended to former foster youth 18 to 21.	For child welfare purposes, targeted case management and rehabilitative services.	Open-ended entitlement with a variable federal matching rate inversely related to a state’s per capita income; can range from 50 to 83 percent. Expenditures in 2002 for child welfare clients totaled \$1.1 billion.
<b>Supplemental Security Income (SSI)</b>	Low-income children and adults who are aged (65 and over), blind, or disabled.	Payments are to cover food, clothing, and shelter, and to cover some nonmedical, disability-related costs.	Federally funded program with no required state match. Expenditures in 2002 for children in out-of-home placements totaled \$72 million.

*Source:* Expenditure data from the 2003 Urban Institute Child Welfare Survey.

<sup>a</sup>Under welfare reform, eligibility for title IV-E is based on 1996 AFDC income-eligibility standards.

30 percent. Analysis of 48 states indicates that federal spending on child welfare activities increased 48 percent (\$3.5 billion) between SFY 1996 and SFY 2002.

Title IV-E Foster Care expenditures, which have traditionally made up a substantial portion of federal expenditures (fluctuating around a third of federal spending in previous surveys), were not the impetus behind the continuing increase of federal funds. Expenditures on the title IV-E Foster Care program remained stable between SFY 2000 and SFY 2002 despite a continued increase in total out-

of-home placement expenditures. One explanation for this stability is the required “look back” provision in PRWORA that requires states to base a child’s eligibility for title IV-E on a program (AFDC) and need standards that no longer exist in practice and are not adjusted for inflation.

The increase in total federal spending was driven primarily by increases in TANF and Medicaid spending on child welfare activities. The combined increase in TANF and Medicaid totaled \$722 million. Many state administrators indicated that while foster care



caseloads are declining, they are serving children with more physical, mental, and behavioral needs. As a result, states are claiming Medicaid for some services provided to these children. Further, states attributed at least part of the increase in TANF expenditures to implementing, and subsequently moving children into, kinship care programs.

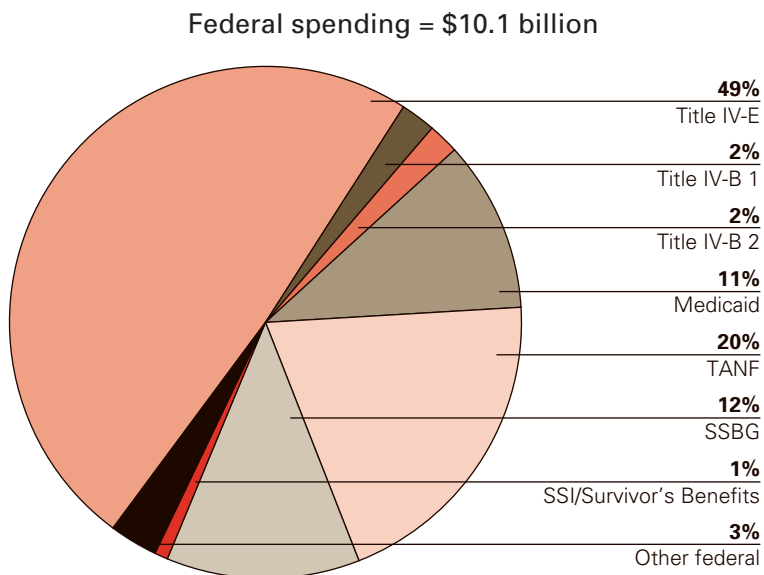
Forty-three states were able to identify federal spending by federal funding stream (figure 4). Title IV-E expenditures, including Foster Care, Adoption Assistance, and Chafee funds, accounted for approximately 49 percent of the federal funds used for child welfare activities, TANF for 20 percent, SSBG for 12 percent,<sup>18</sup> Medicaid for 11 percent, other federal funds for 3 percent, IV-B subpart 1 for 2 percent, IV-B subpart 2 for 2 percent, and SSI and Survivor's Benefits for 1 percent. Title IV-E continued to be less than half of federal spending.<sup>19</sup> Spending from TANF, SSBG, and Medicaid made up 43 percent of federal spending on child welfare activities. Title IV-B

expenditures, although increasing overall, made up a smaller fraction of federal spending than in SFY 2000 (4 versus 5 percent).

Of the \$11.3 billion in federal funds spent, states were able to categorize \$10 billion by use. In SFY 2002, at least \$6.1 billion was spent on children in out-of-home placements, of which approximately \$791 million was spent on support services, \$2.5 billion on room and board, and \$2.3 billion on administration. States spent \$1.4 billion on adoptions and support services for adopted children. States spent another \$708 million on administration (as defined in table 1) and \$1.8 billion on other services, such as parenting skills classes, in-home support services, and child care.

States were able to further categorize \$3.3 billion of the \$6.1 billion spent on children in out-of-home placements by placement setting. States spent at least \$1.1 billion on children in family foster care, including children in relative care. At least \$133 million was spent on children in shelter care or emer-

**Figure 4. SFY 2002 Federal Child Welfare Spending by Funding Source**



Source: Urban Institute 2003 Child Welfare Survey.

Note: Based on data from 43 states. SSBG includes transferred TANF funds.

gency placements, \$762 million on children in residential care (e.g., group homes and institutions), and \$7.8 million on children in child welfare custody who were in correctional facilities. In addition, states spent at least \$83 million on children in independent living settings and \$162 million on children in therapeutic foster care. States also spent approximately \$976 million on children in other settings, such as psychiatric facilities.<sup>20</sup>

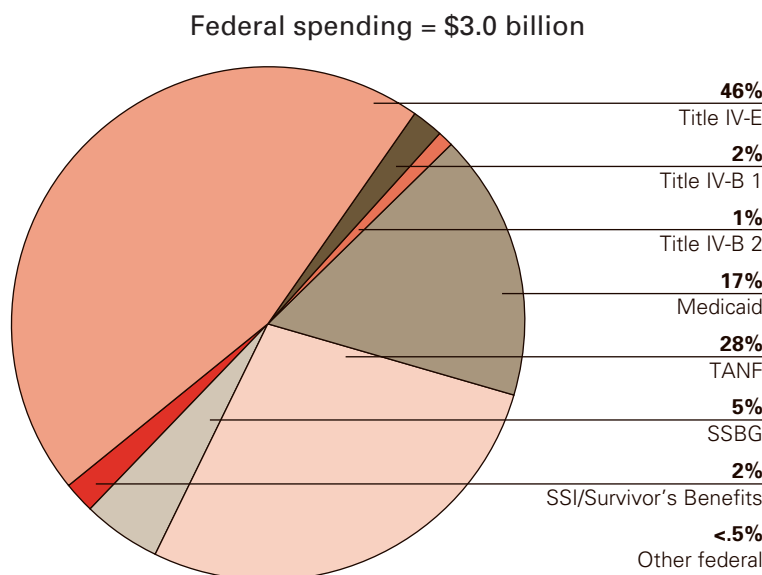
Twenty-two states were able to identify spending on out-of-home placements by federal funding source (figure 5). Based on analysis of these 22 states, IV-E accounted for 46 percent of federal spending on children in out-of-home placements, TANF for 28 percent, Medicaid for 17 percent, SSBG for 5 percent, IV-B subpart 1 for 2 percent, SSI and Survivor's Benefits for 2 percent, IV-B subpart 2 for 1 percent, and other federal funds for less than 1 percent. While IV-E is an open-ended entitlement dedicated to reimbursing states for the cost of foster care, it is interest-

ing to note that together TANF, SSBG, and Medicaid account for half of all federal spending on out-of-home placements. We discuss possible reasons later in this section.

### Federal Funds Dedicated for Child Welfare

Titles IV-E and IV-B of the Social Security Act authorize the largest federal programs dedicated for child welfare. Title IV-E, the largest funding stream, consists of the Foster Care and Adoption Assistance Programs, which are open-ended entitlements; the Chafee Foster Care Independence Program, which is a capped entitlement; and a non-entitlement funding authorization for education and training vouchers to youth who have aged out of foster care. Title IV-B authorizes discretionary and capped entitlement funding to the states and consists of two subparts—Child Welfare Services (subpart 1) and Promoting Safe and Stable Families (subpart 2).

**Figure 5. SFY 2002 Expenditures on Out-of-Home Placements by Federal Source**



Source: Urban Institute 2003 Child Welfare Survey.

Note: Based on data from 22 states. Total may not equal 100 due to rounding. SSBG includes transferred TANF funds.

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There are also several relatively small discretionary grants targeted for child welfare purposes discussed later in the other federal funds section.

#### *Title IV-E*

The Foster Care Program reimburses states for maintenance payments provided to cover shelter, food, and clothing costs for eligible children in care; placement and administrative costs; and training for staff and foster and adoptive parents. The Adoption Assistance Program reimburses states for adoption assistance payments made to adoptive parents of eligible special needs children; administrative costs; training for staff and adoptive parents; and nonrecurring expenses, such as court costs and attorney fees, associated with the adoption of special needs children.<sup>21</sup> The Chafee Foster Care Independence Program provides funding to states for services and programs to prepare youth in foster care (or formerly in the foster care system) to live independently after exiting foster care. Its funding is capped at \$140 million a year, and state allocations are based on each state's share of the nation's foster care population in the most recent year of data available.

Nearly \$5.6 billion in title IV-E funds was spent in SFY 2002 (table 4).<sup>22</sup> This represents an 8 percent (\$428 million) increase since SFY 2000 based on data available from 50 states. While the median change was an increase of 6 percent, 18 states decreased title IV-E spending, (ranging from 21 percent to 1 percent) and 5 states experienced increases greater than 30 percent since SFY 2000. Overall, an analysis of 48 states indicates that IV-E has increased 39 percent (\$1.5 billion) since SFY 1996. The continuing increase in title IV-E funds is due primarily to spending on the Adoption Assistance Program, which continued to increase while expenditures on the Foster Care Pro-

gram did not change. These programs are discussed further below.

**Foster Care Program.** States spent at least \$3.8 billion in title IV-E Foster Care funds in SFY 2002. Title IV-E expenditures on the Foster Care Program did not change from SFY 2000, with spending decreasing by less than 1 percent (\$10 million) according to data from 35 states. Within the Foster Care Program, at least \$1.7 billion was spent on maintenance payments, and \$2.0 billion combined on administration, training, and Statewide Automated Child Welfare Information Systems (SACWIS). Of the \$2 billion, at least \$633 million was spent on case planning and preplacement services and \$240 million on administration and overhead. Based on analysis of 35 states, maintenance payments declined by 2 percent while spending on administration, training, and SACWIS did not change (1 percent increase) from SFY 2000.

Some of the decrease in maintenance payments may be the result of a decline in title IV-E eligibility because of the link to AFDC. Although the look-back date to determine eligibility is July 16, 1996, under the AFDC program states were free to update eligible income levels whenever they chose to do so. Therefore, in some states income standards for AFDC eligibility represent income levels from earlier than 1996. For example, 1992 need standards are still in place in Utah. This means that when looking at a family's income in 2002 to determine if a child was title IV-E-eligible, Utah was actually comparing it to 1992 need standards that have not been adjusted for inflation. Thus, the number of children who are IV-E-eligible might decline. States were asked to estimate the percent of children in out-of-home placements in SFY 2002 for whom they received title IV-E reimbursed maintenance payments (sometimes referred to as the penetration rate). Based on the 47 states that

Table 4. SFY 2002 State-by-State Title IV-E Spending

State	Total Title IV-E (\$)	Change from SFY 2000	Foster Care Program (\$)	Change from SFY 2000	Foster Care maintenance payments (\$)	Change from SFY 2000	Foster Care administration/training/ SACWIS (\$)	Combined change from SFY 2000	Adoption Assistance Program (\$)	Change from SFY 2000	Adoption payments (\$)	Change from SFY 2000	Combined adoption administration and training	Combined change from SFY 2000	Chafee Foster Care Independence Program (\$)	Change from SFY 2000	Demonstration Project (\$)	Foster care penetration rate	Adoption penetration rate
Alabama	31,059,893	59.42%	25,557,675	82.94%	6,280,697	94.33%	19,276,978	79.52%	4,286,100	-3.28%	2,127,222	65.08%	2,158,878	-31.31%	1,216,118	12.51%	0	42.13%	59.95%
Alaska	14,752,952	6.20%	8,763,372	-13.25%	1,477,851	-25.01%	7,285,521	-10.41%	5,511,126	45.76%	5,003,227	51.03%	5,078,899	8.44%	478,454	5325.76%	0	60.51%	84.62%
Arizona	56,923,703	-5.08%	37,137,972	-18.11%	17,771,179	-15.86%	19,366,933	-20.06%	18,043,524	27.00%	15,731,109	36.06%	2,312,485	-12.60%	1,742,137	320.82%	0	54.00%	73.00%
Arkansas	35,183,839	-6.35%	27,683,404	-8.94%	8,444,468	14.87%	18,738,936	-19.66%	6,631,343	9.21%	16,501,692	8.78%	1,420,651	10.89%	669,092	227.99%	0	21.30%	61.70%
California	1,271,781,000	14.95%	1,044,504,000	-11.01%	455,929,000	14.87%	588,575,000	-17.66%	197,075,000	61.92%	161,507,000	70.56%	35,168,000	115.50%	2,031,107	115.50%	-	79.00%	87.00%
Colorado	64,105,711	28.24%	44,307,267	28.42%	13,090,111	61.92%	30,847,278	17.78%	19,767,337	30.55%	12,719,379	70.56%	35,168,000	-17.95%	2,031,107	19.10%	-	60.00%	78.00%
Connecticut	68,367,027	11.63%	50,208,721	18.77%	13,090,111	23.29%	30,847,278	7.70%	16,694,028	65.57%	11,709,542	61.78%	4,984,486	73.97%	1,686,108	203.35%	-	-	-
Delaware	13,345,993	-12.97%	27,428,851	-28.80%	16,981,022	-18.57%	9,332,549	-40.87%	1,772,354	88.24%	1,193,370	261.95%	5,788,984	-17.45%	665,735	92.31%	0	72.00%	51.60%
DC	383,726,989	1.04%	383,726,989	-9.54%	26,980,683	37.86%	10,447,629	3.47%	9,116,154	26.80%	26,255,919	40.99%	14,150,598	6.85%	8,713,837	608.76%	0	42.00%	82.00%
Florida	183,180,612	23.52%	134,060,258	10.54%	29,952,097	52.12%	105,151,575	-16.57%	40,406,517	53.66%	19,832,918	54.84%	11,327,067	51.64%	1,585,178	60.41%	0	21.30%	21.30%
Georgia	87,889,807	-6.16%	55,144,644	-26.06%	1,730,600	6.84%	25,192,477	-35.26%	31,159,995	31.88%	19,832,918	43.41%	11,327,067	11.11%	1,585,178	45.82%	0	66.00%	Over 80%
Hawaii	25,105,189	9.71%	5,480,400	-15.49%	1,730,600	-23.02%	3,749,800	-10.68%	2,309,700	68.22%	1,611,100	69.18%	698,600	62.66%	585,800	421.55%	0	51.60%	Over 80%
Idaho	8,375,900	9.21%	172,730,179	-15.49%	61,278,724	-23.02%	111,451,455	-10.68%	7,176,582	68.22%	61,540,778	69.18%	10,235,804	62.66%	12,444,097	323.45%	135,239,933	45.14%	91.01%
Illinois	392,190,791	9.71%	37,430,076	-15.49%	20,676,944	-21.88%	16,753,132	20.62%	23,884,237	37.34%	21,700,820	39.16%	2,183,417	21.51%	1,438,384	48.96%	2,318,709	31.00%	31.00%
Indiana	65,071,406	10.83%	21,984,750	-7.50%	14,864,566	14.87%	7,120,904	15.86%	22,291,637	15.58%	20,278,888	19.82%	1,912,479	-16.07%	595,397	-3.83%	0	31.40%	71.80%
Iowa	44,871,784	-19.81%	27,963,954	-10.62%	5,170,885	-51.77%	22,783,069	10.84%	9,245,564	12.82%	7,777,136	11.73%	1,471,428	18.91%	1,435,530	52.69%	0	51.60%	76.00%
Kansas	38,346,048	-4.66%	52,130,530	7.70%	27,373,470	16.73%	24,757,060	-0.79%	13,046,731	90.43%	10,506,687	11.36%	2,140,044	26.57%	1,875,727	113.56%	0	61.90%	82.67%
Kentucky	67,052,988	-12.56%	45,978,447	3.17%	16,660,359	-31.32%	29,318,088	44.33%	11,336,543	-46.72%	8,279,199	25.35%	3,057,344	-79.16%	1,588,956	5.86%	332,482	72.00%	79.00%
Louisiana	58,785,946	5.21%	40,379,835	7.30%	34,387,661	8.92%	5,992,174	-1.17%	8,697,343	-6.69%	7,010,020	-10.42%	1,687,323	12.81%	753,542	13.45%	0	61.70%	61.70%
Maine	50,163,202	10.06%	2,872,588	-	-	-	2,872,588	-	-	-	-	-	-	-	1,946,945	85.40%	0	66.60%	71.00%
Maryland	124,057,282	7.07%	89,789,754	-	-	-	89,789,754	-	-	-	-	-	-	-	-	-	0	-	-
Massachusetts	89,789,754	7.07%	145,988,480	-5.85%	75,238,365	-4.55%	70,750,115	-7.19%	90,755,078	23.06%	84,714,041	24.20%	6,041,037	9.01%	4,807,406	-16.30%	1,039,754	68.00%	88.00%
Michigan	242,590,718	3.21%	75,478,414	-5.32%	23,002,517	7.96%	52,475,897	-10.17%	16,588,067	28.30%	11,004,404	24.03%	5,583,663	37.64%	1,269,444	-8.69%	0	63.00%	82.00%
Minnesota	93,335,925	-0.75%	10,720,277	-16.69%	2,550,466	-29.11%	8,169,811	-25.25%	3,603,373	18.83%	2,932,034	41.02%	671,339	-29.58%	507,410	45.76%	88,762	23.00%	20.00%
Mississippi	14,919,822	-3.93%	61,644,099	-26.21%	17,384,324	-	44,259,775	-	2,020,224	-	15,441,508	-	5,178,176	122.96%	3,329,268	122.96%	0	51.60%	61.70%
Missouri	85,592,591	3.28%	6,428,072	-9.02%	10,993,461	-	5,73,196	-	2,635,063	39.61%	5,038,805	33.32%	79,333	422.62%	3,329,268	-100.00%	39,803	21.30%	71.80%
Montana	14,087,929	9.20%	20,963,392	-32.61%	10,993,461	-	9,969,931	-9.48%	5,363,328	39.61%	5,038,805	33.32%	324,533	422.62%	3,329,268	29.83%	0	41.50%	61.70%
Nebraska	19,296,266	9.20%	5,152,648	-32.61%	10,993,461	-	9,969,931	-9.48%	5,363,328	39.61%	5,038,805	33.32%	324,533	422.62%	3,329,268	29.83%	0	21.30%	61.70%
Nevada	19,296,266	9.20%	5,152,648	-32.61%	10,993,461	-	9,969,931	-9.48%	5,363,328	39.61%	5,038,805	33.32%	324,533	422.62%	3,329,268	29.83%	0	21.30%	61.70%
New Hampshire	87,405,658	7.86%	64,045,569	3.30%	33,992,696	-4.73%	1,894,233	-72.75%	1,080,449	26.61%	1,077,665	17.45%	2,784	48.78%	441,768	5126.06%	66,385	43.00%	59.00%
New Jersey	25,336,344	0.71%	15,207,254	-13.07%	3,454,557	-26.93%	30,052,873	14.18%	21,062,242	29.01%	13,821,613	38.50%	2,046,112	2.93%	2,297,847	-4.14%	0	51.60%	51.60%
New Mexico	631,433,000	6.02%	427,381,000	1.13%	243,171,000	2.19%	184,210,000	-0.23%	9,608,259	20.52%	7,562,147	21.57%	12,744,000	7.40%	500,000	131.38%	20,831	73.04%	73.04%
New York	71,827,809	-2.51%	51,773,150	-1.11%	16,296,890	2.19%	35,476,260	-0.23%	192,082,000	20.52%	179,338,000	21.57%	1,324,248	-12.15%	11,970,000	-12.15%	0	61.70%	Over 80%
North Carolina	9,957,507	15.94%	7,258,663	1.65%	16,296,890	2.19%	35,476,260	-0.23%	192,082,000	20.52%	179,338,000	21.57%	1,324,248	-12.15%	11,970,000	-12.15%	0	61.70%	Over 80%
North Dakota	378,472,533	20.15%	230,282,256	6.57%	118,982,527	-4.70%	111,299,729	21.99%	14,324,190	50.29%	50,247,279	39.55%	94,698,714	56.69%	2,629,952	14.87%	414,332	78.80%	92.97%
Ohio	47,496,021	-9.92%	31,612,805	-3.60%	16,356,000	-4.70%	15,256,805	-4.32%	14,324,190	50.29%	50,247,279	39.55%	94,698,714	56.69%	2,629,952	14.87%	414,332	78.80%	92.97%
Oklahoma	50,795,095	7.71%	30,467,895	-3.60%	13,987,812	-2.74%	16,480,083	-4.32%	18,260,646	27.79%	16,801,863	52.40%	3,427,307	-55.32%	1,561,026	163.57%	0	64.89%	62.64%
Oregon	319,357,487	-5.88%	270,871,871	0.44%	152,473,595	-8.66%	118,397,994	5.43%	42,885,616	8.28%	31,894,644	21.92%	11,090,972	-33.19%	1,388,580	9.94%	677,974	71.80%	Over 80%
Pennsylvania	19,782,067	7.69%	13,453,558	0.44%	4,327,595	-8.66%	9,125,963	5.43%	5,387,398	8.28%	4,564,530	21.92%	822,868	-33.19%	941,111	9.94%	0	71.80%	Over 80%
Rhode Island	319,357,487	-5.88%	270,871,871	0.44%	152,473,595	-8.66%	118,397,994	5.43%	42,885,616	8.28%	31,894,644	21.92%	11,090,972	-33.19%	1,388,580	9.94%	677,974	71.80%	Over 80%
South Carolina	40,645,000	49.38%	31,931,000	0.44%	4,327,595	-8.66%	9,125,963	5.43%	5,387,398	8.28%	4,564,530	21.92%	822,868	-33.19%	941,111	9.94%	0	39.65%	57.59%
South Dakota	160,891,955	7.32%	113,555,100	-7.69%	2,650,883	3.54%	2,880,715	-20.21%	1,228,465	41.96%	7,324,000	56.70%	110,057	-22.73%	1,162,000	39.81%	0	61.62%	69.00%
Tennessee	38,297,764	6.47%	25,342,388	29.65%	15,577,941	15.92%	10,764,447	86.12%	10,241,585	25.49%	9,208,710	27.88%	1,032,875	11.27%	377,485	152.83%	0	53.00%	72.00%
Texas	160,891,955	7.32%	113,555,100	-7.69%	2,650,883	3.54%	2,880,715	-20.21%	1,228,465	41.96%	7,324,000	56.70%	110,057	-22.73%	1,162,000	39.81%	0	61.62%	69.00%
Utah	24,704,200	-1.74%	18,555,100	29.65%	81,106,440	15.92%	10,764,447	86.12%	10,241,585	25.49%	9,208,710	27.88%	1,032,875	11.27%	377,485	152.83%	0	53.00%	72.00%
Vermont	19,710,181	7.44%	14,917,032	-0.28%	3,337,200	15.92%	15,217,900	10.88%	4,340,699	3.18%	4,563,900	21.95%	966,400	-40.24%	618,800	72.75%	0	77.00%	Over 80%
Virginia	21,710,181	7.44%	14,917,032	-0.28%	3,337,200	15.92%	15,217,900	10.88%	4,340,699	3.18%	4,563,900	21.95%	966,400	-40.24%	618,800	72.75%	0	77.00%	Over 80%
Washington	19,710,181	7.44%	14,917,032	-0.28%	3,337,200	15.92%	15,217,900	10.88%	4,340,699	3.18%	4,563,900	21.95%	966,400	-40.24%	618,800	72.75%	0	77.00%	Over 80%
West Virginia	66,132,748	52.31%	56,666,552	13.01%	22,180,793	26.77%	34,485,759	5.64%	13,131,803	42.89%	9,284,232	47.86%	3,847,571	32.17%	1,513,204	157.78%	0	55.00%	64.00%
Wisconsin	32,740,679	25.19%	26,719,875	52.35%	15,104,344	25.90%	17,761,316	69.48%	17,761,316	50.39%	14,544,059	45.25%	3,217,257	79.07%	1,879,902	892.156	0	31.40%	Over 80%
Wyoming	112,516,763	-1.79%	83,802,387	-9.98%	31,482,502	11.00%	52,319,885	-19.17%	5,128,648	101.23%	21,945,544	116.73%	4,211,955	59.85%	2,556,877	96.31%	0	51.60%	78.00%
U.S. Total	5,553,276,701	8.47%	3,767,586,261	-0.48%	1,735,544,764	-1.95%	2,032,041,497	0.90%	1,255,645,558	101.23%	977,531,455	33.63%	278,114,103	19.97%	131,921,463	75.03%	140,510,089	54.66%	72.89% n = 44

Sources: 2001 and 2003 Urban Institute Child Welfare Surveys.

0 = state does not use funding stream; - = state uses funding stream but could not provide data.

Notes: Changes are adjusted for inflation and based on sample sizes noted. Percent changes left blank could not be calculated because of missing or incomplete data or because the state did not use title IV-E for

were able to provide this data, approximately 55 percent of children in out-of-home placements were receiving title IV-E reimbursed maintenance payments in SFY 2002. This compares with 57 percent in SFY 2000, based on analysis of 42 states. However, individual state penetration rates vary, as displayed in figure 6.

Differences in need standards alone do not explain the differences in penetration rates. Title IV-E eligibility is subject to several factors in addition to need standards. Several process requirements must be met in order to claim federal reimbursement, including:

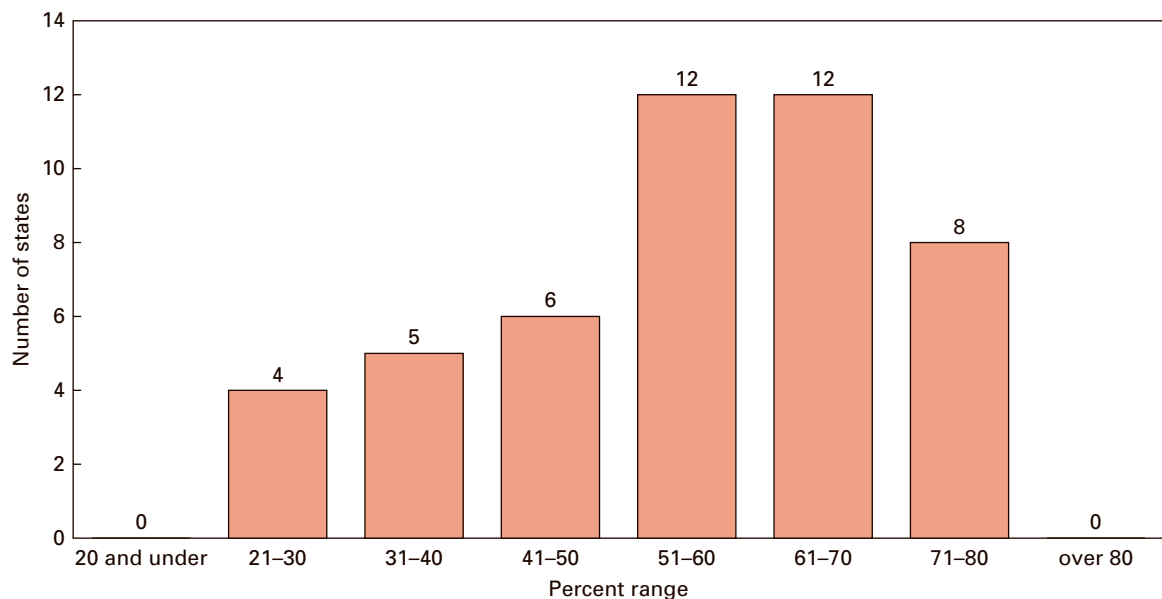
- there must be a judicial finding that the state made “reasonable efforts” to prevent removal of the child and that remaining in the biological home was “contrary to the welfare” of the child;
- the state child welfare agency must have responsibility for the child’s placement in care; and

- the child must be placed in a licensed foster family home or child care institution.

Title IV-E eligibility may be compromised if documentation is lacking in one of these areas. Efforts to better use federal funding resources often identify and correct weaknesses in the state processes that affect eligibility determination. Thus, individual states’ abilities to ensure that all children who are eligible for title IV-E are determined eligible explain the variation among states in penetration rates.

In addition to declining eligibility, two other reasons may explain why spending on all facets of the Foster Care Program have had little or no change since SFY 2000. First, as mentioned earlier, many states have seen a movement of children and youth from foster care placements into adoption because of ASFA, effectively transferring the costs to the Adoption Assistance Program. Second, the

**Figure 6. State Penetration Rates by Range for Foster Care Maintenance Payments in SFY 2002**



Source: 2003 Urban Institute Child Welfare Survey.

Note: Excludes four states that did not provide penetration rates. Includes the District of Columbia.

lack of a substantial decline in spending on the Foster Care Program despite decreasing case-loads is likely related to the changing characteristics of the children in care. State administrators reported that many children in foster care today have significantly more needs—physical, behavioral, and mental health—than in the past. Part of the changing composition of children in care might be attributed to the movement of some children to adoption, leaving some children who are more difficult to place in adoptive homes in the foster care system.

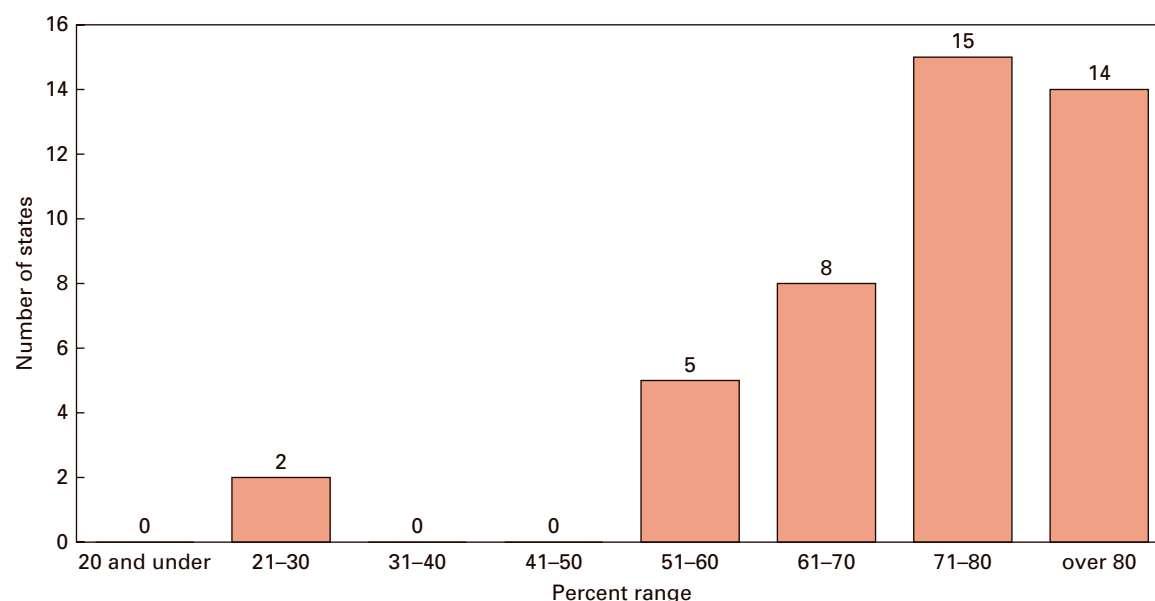
**Adoption Assistance Program.** States spent \$1.3 billion on the Adoption Assistance Program in SFY 2002. Within the program, approximately \$978 million was spent on adoption subsidies and \$278 million was spent on administration and training. Analysis of 33 states that provided complete data indicates that title IV-E adoption spending increased 30 percent (\$207 million) from SFY 2000; expenditures on adoption subsidies increased

34 percent, and expenditures on administration and training increased 20 percent.

This increase was expected, considering ASFA’s mandate to states to move children into permanent placements. Nearly all states pointed to caseload growth as the impetus for increasing adoption expenditures. States also noted an increase in the recruitment and training of adoptive parents and staff. In SFY 2002, 12 states reported adoption subsidy expenditures that exceeded foster care maintenance expenditures; however, we could not discern if such investments in adoption subsidies were a continuing trend from previous rounds of the survey.

A new question in the 2003 survey asked states to provide either a point estimate or a range for the percentage of children in adoptive placements receiving title IV-E reimbursed adoption subsidies.<sup>23</sup> Forty-four states were able to provide the data for an average of 73 percent. However, like the foster care penetration rate, states varied in their adoption penetration rates (figure 7). Two states, Georgia

**Figure 7. State Penetration Rates by Range for Adoption Subsidies in SFY 2002**



Source: 2003 Urban Institute Child Welfare Survey.

Note: Excludes seven states that did not provide penetration rates. Includes the District of Columbia.



and Mississippi, reported penetration rates between 21 and 30 percent.<sup>24</sup>

While adoption expenditures were expected to increase and are expected to increase for some time in the future, a decline in the number of children eligible for a IV-E-reimbursed foster care maintenance payment will eventually affect the Adoption Assistance Program. Eligibility for a IV-E-reimbursed adoption subsidy is based on eligibility for a IV-E maintenance payment or eligibility for SSI. As the number of children eligible for IV-E maintenance payments declines, if children are not SSI-eligible, the number of subsidies provided through the Adoption Assistance Program will eventually decline.

**Chafee Foster Care Independence Program.** States spent at least \$132 million on the Chafee program—a 75 percent increase (\$52 million) since SFY 2000, based on data from 46 states. The increase—owing to the entitlement being doubled in 2000—resulted in an expansion of services and several new programs for youth. Many states reported in the last survey that they were not prepared to use the additional funds; in this round, however, many states indicated that they had implemented programs and were now able to use all the funding they were appropriated. New and expanded services for youth included transitional living programs, job training, tutoring, and life skills training.

Table 5 shows how much states were allocated in FFY 2002 and how much they spent in SFY 2002. According to our data, states spent 94 percent of the \$140 million appropriated in Chafee funds. It is important to note that when comparing appropriations and expenditures, a slight difference occurs because appropriations are presented for the federal fiscal year and expenditures are presented for the state fiscal year. Despite this difference, it is clear that most of the money has been spent nationwide,

**Table 5. SFY 2002 State-by-State Title IV-E Chafee Foster Care Independence Program Appropriations and Expenditures**

State	Appropriated funds in FFY 2002 (\$)	SFY 2002 expenditures (\$)
Alabama	1,336,297	1,216,118
Alaska	500,000	478,454
Arizona	1,554,092	1,742,137
Arkansas	693,779	669,092
California	26,987,207	30,202,000
Colorado	1,874,643	2,031,107
Connecticut	1,498,108	1,498,108
Delaware	500,000	655,735
DC	1,091,992	2,183,984
Florida	10,082,821	8,713,837
Georgia	2,692,201	1,585,178
Hawaii	578,976	358,871
Idaho	500,000	585,800
Illinois	7,925,186	12,444,097
Indiana	2,074,958	1,438,384
Iowa	1,203,305	595,397
Kansas	1,573,226	1,143,530
Kentucky	1,371,022	1,875,727
Louisiana	1,358,131	1,468,956
Maine	753,542	753,542
Maryland	3,098,972	1,946,945
Massachusetts	2,755,036	–
Michigan	5,543,378	4,807,406
Minnesota	2,149,603	1,269,444
Mississippi	769,133	507,410
Missouri	3,111,964	3,329,268
Montana	525,590	0
Nebraska	1,470,708	1,470,708
Nevada	523,228	441,768
New Hampshire	500,000	443,180
New Jersey	2,297,848	2,297,847
New Mexico	500,000	500,000
New York	11,626,283	11,970,000
North Carolina	2,576,217	2,007,723
North Dakota	500,000	409,350
Ohio	4,847,710	2,829,952
Oklahoma	2,018,974	1,561,026
Oregon	1,775,194	1,388,580
Pennsylvania	5,239,835	5,500,000
Rhode Island	591,023	941,111
South Carolina	1,109,998	1,162,000
South Dakota	500,000	377,485
Tennessee	2,506,060	1,713,791
Texas	4,521,017	4,728,754
Utah	500,000	618,800
Vermont	500,000	532,413
Virginia	1,695,116	1,513,204
Washington	2,107,084	1,879,902
West Virginia	811,652	892,156
Wisconsin	2,560,154	2,556,877
Wyoming	500,000	684,309
<b>U.S. Total</b>	<b>135,881,263</b>	<b>131,921,463</b>

Sources: U.S. Department of Health and Human Services and 2003 Urban Institute Child Welfare Survey.

0 = state does not use funding stream; – = state uses funding stream but could not provide data.

State limitations: Connecticut did not respond to the survey, therefore the data presented are based on HHS data for FFY 2002. Massachusetts provided total title IV-E spending, but was unable to provide Chafee spending.



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although some states were not able to spend all their appropriations and these funds were reallocated to other states.

At least 11 states have implemented the Medicaid extension option that makes Medicaid available to former foster youth.<sup>25</sup> However, states vary in the eligibility requirements for coverage, such as length of time in care, those in care the day of their 18th birthday, and those pursuing secondary education or participating in independent living programs. In at least four other states, former foster youth may be eligible for either Medicaid or SCHIP coverage because of other eligibility options independent of their status as former foster youth.<sup>26</sup>

#### *Title IV-B*

Title IV-B funding is separated into two subparts: subpart 1, the Child Welfare Services Program, and subpart 2, Promoting Safe and Stable Families. Subpart 1, viewed as the more flexible of the two programs, provides grants to the states to prevent placement and reunify families, prevent abuse and neglect, and provide services to children in foster care or adoptive homes. Limited funds may be used for foster care maintenance payments, adoption assistance payments, and child day care. In 2002, \$292 million was appropriated for this program. Subpart 2 funds activities within four specific areas: family preservation, community-based family support programs, time-limited family reunification services, and adoption promotion and support services. Promoting Safe and Stable Families was reauthorized in 2001, providing \$305 million a year in mandatory appropriations and an additional \$200 million a year in discretionary funds. In SFY 2002, \$305 million in mandatory funds and \$70 million in discretionary funds were appropriated to states for this program. While the focus of each subpart differs,

a 2003 GAO report found significant overlap in both the services and the types of families served by subparts 1 and 2 (GAO 2003).

In SFY 2002, states spent \$549 million in total IV-B funds, of which \$265 million was subpart 1 dollars and \$283 million was subpart 2 dollars.<sup>27</sup> Total IV-B increased 7 percent (\$38 million) from SFY 2000, according to data provided by 50 states. The median change was a 6 percent increase. In addition, total IV-B expenditures have increased 17 percent (\$75 million) since SFY 1996, based on analysis of 47 states.

Of the \$265 million in subpart 1 funds spent in SFY 2002, at least \$82 million was spent on children in out-of-home placements. Within out-of-home placements, approximately \$30 million was spent on support services, \$25 million on room and board, and \$10 million on administration. Additionally, \$8 million was spent on adoptions and supportive services for adopted children. States spent at least \$79 million on administration and at least \$59 million on other services, such as prevention activities, in-home services, and child care services. Subpart 1 spending declined 7 percent (\$18 million) from SFY 2000 based on analysis of 47 states. The decline in subpart 1 spending may be due to technical aspects of the grant rather than an actual decline in spending. States are given a two-year window to spend their subpart 1 allocation, so a decline might be because funds are spent in another year.

The GAO study found that in FFY 2002 the top three categories funded by subpart 1 were child welfare staff salaries, administration, and child protective services, accounting for 28 percent, 17 percent, and 16 percent, respectively, of subpart 1 funds. The study also found that while a large share (42 percent) of subpart 1 funds were aimed at providing services to children in foster care and their

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parents, the remaining funding was dedicated to various other populations (GAO 2003).

The \$283 million in subpart 2 spending was an increase of 19 percent (\$44 million) since SFY 2000 based on data from 47 states. At least \$28 million was spent on children in out-of-home placements, of which approximately \$22 million was spent on support services, \$75,000 on room and board,<sup>28</sup> and \$546,000 on administration. Additionally, \$36 million was spent on adoptions and supportive services for adopted children. States spent at least \$11 million on administration and at least \$181 million on other services, such as family preservation, support, and reunification services.

Not surprisingly, the four service areas that are the focus of subpart 2 were the top four service categories funded by subpart 2 funds in FFY 2002, according to the GAO study. Family support and prevention services was by far the largest funded service category, making up 50 percent of all subpart 2 funds. The other three categories each made up between 9 and 12 percent of the program's funding (GAO 2003).

### **Nondedicated Federal Funds**

In addition to the federal funds dedicated for child welfare, many states rely on three funding streams (TANF, SSBG, and Medicaid) that are not targeted for child welfare activities to fund services for child welfare clients. The ability to use these funds for child welfare activities and the types of services that may be funded vary by the eligibility rules and guidelines of each program. States use these nondedicated funding streams for several reasons. Many states use TANF, SSBG, and Medicaid to pay for foster care costs that are not allowable under title IV-E, including the board and care of children ineligible for title IV-E and therapeutic services for children in

care. Sometimes, the choice to use a block grant for child welfare, or the choice to increase utilization of block grant funds over entitlement funds, represents a limitation on state funds available to match entitlement funds. Other states use entitlement funds first to finance child welfare activities, then use block grant funds to fill in the gaps. Finally, title IV-B, a capped allocation dedicated for child welfare purposes, is small compared with SSBG or TANF, and states use these nondedicated block grants to meet the needs of child welfare clients.

In SFY 2002, states spent at least \$4.7 billion from TANF, SSBG, and Medicaid combined, 11 percent (\$398 million) more than in SFY 2000 based on 38 states (table 6). Although these funds accounted for 43 percent of all federal funds in SFY 2002, there is still great state variation in the use of these funds, ranging from 8 percent of all federal funds in Ohio to 75 percent in Alabama. Combined, these funds accounted for more than half of all federal funds in 20 states.

The variation among states in the use of nondedicated federal funds exists for a number of reasons. First, not all child welfare agencies can access these funds—the state legislature may not appropriate the funds to the child welfare agency; there may not be an agreement between the child welfare and TANF agencies to transfer funds; the state plan may not incorporate child welfare services or activities; or federal regional offices may differ in their interpretation of federal policy around the use of such funds, in particular Medicaid, for child welfare purposes. Second, state cost allocation plans may provide a percentage of the funds to the child welfare agency, and the amount then fluctuates from year to year. Or, there is an agreement on the amount the child welfare agency will receive with no adjustment for changing needs from

**Table 6. SFY 2002 Spending from Nondedicated Federal Funds**  
(\$ millions, except where noted)

	TANF <sup>a</sup>	SSBG <sup>b</sup>	Medicaid	Total
<b>SFY 2002 Expenditures</b>	2,297	1,305	1,102	4,704
<b>Change from SFY 2000<sup>c</sup>(%)</b>	26	-10	31	11
Out-of-Home Placements	1,215	270	616	2,101
Support services	235	93	406	734
Room and board	448	57	51	556
Administration	191	52	98	341
Uncategorized out-of-home placements <sup>d</sup>	341	68	60	470
Adoption	56	22	20	98
Administration	174	222	83	479
Other Services	511	619	199	1,329
Uncategorized Expenditures <sup>d</sup>	341	173	185	698

*Sources:* Tabulated information from the 2001 and 2003 Urban Institute Child Welfare Surveys.

*Note:* Numbers may not total because of rounding.

<sup>a</sup>States spent \$2.7 billion in TANF funds when including transfers to SSBG.

<sup>b</sup>States spent approximately \$875 million in SSBG funds without the TANF transfer.

<sup>c</sup>Change in TANF is based on data from 47 states and excludes transfers to SSBG. Change in SSBG is based on 44 states and includes transfers from TANF. Change in Medicaid is based on 42 states. Total change is based on data from 38 states. All percentages of change are adjusted for inflation.

<sup>d</sup>The variety of accounting methods states use to track their spending means that some states were not able to categorize all expenditures according to the Urban Institute's uniform categories.

year to year. Third, some child welfare agencies may not access these funds directly so they are either not captured in our survey or are identified as part of state funding (with another state department drawing down the federal funding source and the state legislature allocating it to the various departments).

It should be remembered that while some child welfare agencies do not have direct access to nondedicated federal funds to provide specific services, child welfare children and families may access some services through other systems. For example, child welfare agencies without direct access to Medicaid funds may still be able to access therapeutic services for children through their state's mental health system. Expenditures on such services are not captured in this survey.

## TANF

TANF is a capped block grant program with no required state match, although states must spend their own funds to receive the grant.<sup>29</sup> Within certain guidelines,<sup>30</sup> states may fund

various child welfare activities using TANF funds, including family reunification, parenting education, in-home, and crisis intervention services. States can also use TANF funds to support children that child welfare has removed from their parents' homes and placed with relative or kinship caregivers. States can also transfer up to 10 percent of their TANF grant to SSBG, which may in turn be used to support a broad range of child welfare activities.

PRWORA ended the AFDC-EA program and rolled these funds into the TANF block grant. EA was an open-ended entitlement program with a federal match rate of 50 percent, and states were given wide latitude to fund various child welfare activities through it. For example, prevention, family reunification, counseling, parenting education, case management, in-home, and crisis intervention services could have been funded under EA. States were also able to use EA funds for activities not reimbursable under title IV-E, such as costs associated with non-relative foster care

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for children not eligible for title IV-E. States can use TANF funds to cover non-relative foster care costs if this was in the state's approved AFDC plan.

Expenditures of TANF funds for child welfare activities have seen substantial changes since SFY 1996. The use of TANF funds for child welfare activities declined 24 percent between SFY 1996 and SFY 1998.<sup>31</sup> The report presenting SFY 1998 data (Bess et al. 2001) attributed the decline in TANF spending to confusion among child welfare administrators around using TANF for child welfare purposes before the release of the TANF final rule in April 1999. Further, child welfare administrators identified a lack of confidence in using TANF funds for child welfare purposes for fear that the funds would not be available during an economic downturn. However, once the TANF final rule was released and the use of TANF funds for child welfare purposes was clarified, states began to use TANF funds. Between SFY 1998 and SFY 2000, TANF expenditures increased 132 percent.<sup>32</sup> In SFY 2002, states continued to increasingly use TANF funds for child welfare activities.

In SFY 2002, states spent \$2.3 billion in TANF funds on child welfare activities, not including funds transferred to SSBG.<sup>33</sup> This is a 26 percent (\$468 million) increase from SFY 2000 and a 234 percent (\$1.5 billion) increase from SFY 1996; both changes are based on analyses of 47 states. The median change between SFY 2000 and SFY 2002 was a 5 percent increase. Increases ranged from \$143,000 to over \$123 million. This large increase was partly the impetus behind the increase in federal spending. TANF spending decreased in 16 states ranging from 2 percent to 100 percent. States' reliance on TANF funds as a percentage of all federal funds ranged from 0 percent in six states to 42 percent in Pennsylvania.

In SFY 2002, states transferred at least \$431 million in TANF funds to SSBG for child welfare purposes. Including the TANF transfer, states spent at least \$2.7 billion in TANF funds, an 8 percent increase from SFY 2000 based on data from 31 states.<sup>34</sup> The median change was an increase of 17 percent. Between SFYs 1996 and 2002, TANF expenditures including the transfer increased 249 percent, or \$1.6 billion, based on data available from 34 states. Because 15 states were unable to report their TANF transfer in SFY 2002, all these figures represent a lower bound estimate.

The continuing increase of TANF expenditures during the recession was surprising. Many had speculated that the declining economy would increase TANF caseloads, leaving less money for child welfare purposes. While 29 states did see TANF caseloads increase between June 2001 and June 2002, nationally the TANF caseload declined 2 percent (Richer, Rahmanou, and Greenberg 2002). Further, unobligated TANF funds, unspent TANF funds that states may reserve in case of unexpected costs, declined in 2002 (Greenberg and Richer 2002). It appears that the use of unobligated TANF funds might have allowed states to offset costs incurred by growing TANF caseloads and prevented cuts in TANF funding to non-assistance programs, such as child welfare.

The increase in TANF spending may also be partly attributed to moving children into kinship and relative care programs. Thirty-three states reported using TANF money totaling \$329 million for relative caregiver or kinship care programs.<sup>35</sup> Many states reported that kinship care programs that were in the beginning stages during our previous surveys were fully implemented in SFY 2002. According to data from 23 states, expenditures on relative caregiver or kinship care programs increased 223 percent, or \$226 million, from SFY 2000.

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Finally, we heard from state administrators that states are increasingly looking to TANF to offset losses from declining SSBG funds and states' inability to claim title IV-E for a growing number of children (as discussed in the title IV-E section of the report). Although the flexibility of TANF has allowed some states to create or expand preventative services, most state administrators reported that TANF funds are largely used to maintain the current level of services.

Of the \$2.3 billion, states categorized how they spent \$2 billion of their TANF funds. States spent at least \$1.2 billion on children in out-of-home placements, including at least \$235 million on support services, \$448 million on room and board, and \$191 million on administration. Nearly \$56 million was spent on adoptions and support services for adopted children, \$174 million on administration, and \$511 million on other services, such as transportation, substance abuse counseling, and teen pregnancy programs.

TANF spending by child welfare agencies does not represent the complete picture of the benefits TANF funding can provide child welfare clients. Funds not used for welfare payments to clients may be used by welfare agencies to develop programs and services that might aid in preventing abuse or neglect (Andrews et al. 2002). The collaborative use of TANF funds between welfare and child welfare agencies may create more holistic, family-focused self-sufficiency services for dual-system families (i.e., families involved with both agencies).

### **SSBG**

SSBG is a capped entitlement program with no required state match. States are given wide discretion to determine the services funded by SSBG and the eligible population. Although title XX was created in 1975, it was a 1981

amendment that established the block grant to provide money to the states for social services (U.S. House of Representatives 2004). The program's initial entitlement ceiling of \$2.9 billion in 1981 has continually been reduced; in 2002 the entitlement ceiling was \$1.7 billion. Since 1998, appropriations of the block grant have either been below or level with the entitlement ceiling, with \$1.7 billion appropriated in 2002. Some child welfare agencies have reevaluated their reliance on SSBG as a key source of funding for programs and have shifted toward using it to "fill in the gaps" where supplemental funding might be needed.

States use SSBG funds for various child welfare-related activities, including preventive, protective, and adoption services, and services for children in foster care. SSBG funds may also be used for room and board in cases of temporary emergency shelter provided in protective service cases. In addition to using these funds for child welfare-related activities, states use these funds for a wide range of services for the elderly and such special populations as adult protective services and the developmentally disabled. States usually allocate funds to the various programs by a formula or give programs a set dollar amount each year.

In SFY 2002, states spent \$1.3 billion in SSBG funds on child welfare activities, a decline of 11 percent (\$136 million) from SFY 2000 based on 44 states.<sup>36</sup> The median was a decline of 6 percent. This amount includes \$431 million in transferred TANF funds. Of the 29 states reporting a decline in SSBG spending between SFYs 2000 and 2002, six reported declines greater than 30 percent. Reliance on SSBG funds ranged from 0 percent of all federal funds in Rhode Island and Nebraska to 35 percent in Louisiana.

As discussed earlier, child welfare administrators have noted that TANF funds are helping states maintain SSBG expenditures as the



yearly state program allocation of SSBG for child welfare declines. However, it appears that the amount of TANF funds being transferred to SSBG for child welfare purposes has also declined: in SFY 2000, 34 states reported transferring \$685 million in TANF funds to SSBG and in SFY 2002, \$431 million was transferred by 36 states. This is not surprising given that the total amount of TANF funds transferred to SSBG for all purposes (not just child welfare) has declined since FFY 2000 (U.S. DHHS 2004c). When the TANF transfer is removed, approximately \$875 million in pure SSBG funds was spent on child welfare activities in SFY 2002—a 5 percent increase (\$25 million) from SFY 2000 based on 28 states. Because 15 states were unable to provide the amount of TANF that was transferred to SSBG in SFY 2002, these figures overestimate pure SSBG funds. The increase seems to be driven by eight states that saw increases in pure SSBG spending; nearly 18 states, however, experienced declines in pure SSBG spending between 3 percent and 100 percent. The median change was a decline of 12 percent. Between SFY 1996 and SFY 2002, SSBG spending declined 29 percent (\$204 million) when the TANF transfer is removed, based on 30 states.

Of the \$1.3 billion, states categorized \$1.1 billion. States spent at least \$270 million on children in out-of-home placements, including at least \$93 million on support services, \$57 million on room and board, and \$52 million on administration. States spent at least \$22 million on adoptions and support services for adopted children, \$222 million on administration, and \$619 million on other services, such as family planning, homemaker, and prevention services.

### *Medicaid*

States were also requested to provide Medicaid spending for which the child welfare

agency paid the nonfederal match. We specifically requested states to exclude Medicaid expenditures for routine health care services provided to children in foster care. States use Medicaid, an open-ended entitlement, to fund some medical services provided by the child welfare agency, its contracted providers, or other providers to children and families involved with the child welfare system. These services include transportation, rehabilitative services, targeted case management, and therapeutic and psychiatric services provided in residential treatment facilities.

States are required to ensure that clients have transportation to and from service providers; this includes the use of ambulances and public transportation. Rehabilitative services are medical or remedial services provided for the reduction of a physical or mental disability, helping recipients reach a better functional level. These services may include behavior management services, day treatment services, family functioning interventions, and so on. Through targeted case management services, states may target a portion of their eligible Medicaid population to receive assistance in accessing necessary medical, social, educational, and other services. Psychiatric residential treatment facilities are necessary inpatient services provided by eligible providers to alleviate the mental health condition of children and youth under 21.<sup>37</sup>

States spent \$1.1 billion in Medicaid funds for child welfare clients in SFY 2002, 31 percent (\$254 million) more than in SFY 2000 based on 42 states, with a median increase of 13 percent.<sup>38</sup> Twelve states reported declines ranging from 1 percent to 66 percent. Of the 25 states reporting an increase, 12 reported increases of 40 percent or more. Five states experienced no change in Medicaid spending. Between SFYs 1996 and 2002, spending increased 41 percent (\$306 million) based on

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data from 39 states. These increases may be representative of the increased need for therapeutic services for children in out-of-home care. Reliance on Medicaid as a percentage of all federal funds varied, ranging from 0 percent in five states to 55 percent in Tennessee.

Variation in Medicaid use exists for a number of reasons. First, some states do not have targeted case management or rehabilitative services for child welfare clients as an option in their state's Medicaid plan, therefore child welfare agencies cannot claim Medicaid for these costs. Some state legislatures or state Medicaid administrators may be hesitant to approve a change in the state's Medicaid plan for fear of rising expenditures. Second, interpretation of the federal policy around targeted case management for child welfare clients seems to vary by federal regional office. Third, some child welfare agencies do not receive Medicaid funds directly, but are reimbursed for these expenditures through the state's general fund. Therefore in some states, Medicaid spending for child welfare-related activities is reported as zero dollars because the child welfare agency does not receive the funds directly. Finally, as mentioned earlier, the composition of states' caseloads varies. Some state administrators indicated that they are serving children with more physical, mental, and behavioral needs. As a result, states are able to claim Medicaid for some services for these children.

Many state administrators pointed to the use of Medicaid as part of their efforts to increase federal revenues used to fund child welfare services. This included ensuring that all eligible claims for targeted case management were filed when appropriate. For example, if a child needed a special case manager in addition to his or her child welfare caseworker to ensure access to necessary medical services, this second case manager's time could be claimed. Also, for those children in more

expensive, therapeutic settings, states sought to claim Medicaid under the residential rehabilitative option, if allowable.

Of the \$1.1 billion, states categorized \$918 million. Of the \$616 million spent on children in out-of-home placements, at least \$406 million was spent on support services, at least \$51 million on room and board (for children in psychiatric treatment facilities), and at least \$98 million on administration. States spent at least \$20 million on administrative and support services for adopted children, \$83 million on administration, and \$199 million on other services, such as crisis intervention and counseling services.

### **Additional Federal Funds for Child Welfare**

In addition to the dedicated and nondedicated federal funding streams for child welfare, we asked the states to report on these additional federal funding streams: title XVI Supplemental Security Income (SSI), title II Survivors Insurance Benefits, and other available federal funds, such as discretionary and state grants. Although SSI and Survivors Insurance Benefits are not child welfare funding streams, states receive SSI or Survivors Insurance Benefits on behalf of children in out-of-home placements because of disabilities or the death of a biological parent. We do not report separately on the numerous discretionary and state grants because of the inconsistency among the states in the use of these funds and their ability to report on these funds.

SSI is a national program for the elderly (age 65 or over), blind, or disabled. Children under the age of 18 may be eligible for SSI if determined disabled owing to "a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to



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result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”<sup>39</sup> SSI funds are provided for the care of eligible low-income children, including food, clothing, shelter, and some of the nonmedical, disability-related costs. In SFY 2002, states spent at least \$72 million in SSI funds on children in out-of-home placements.<sup>40</sup> This is a 4 percent (\$2.5 million) decline (with the median an 8 percent decline) from SFY 2000 based on 25 states that provided data in both rounds. This decline was anticipated based on PRWORA’s changes to eligibility determination. States have an incentive to get SSI funds for eligible children in foster care because SSI is fully federally funded (it does not require a state match). And for those children who are not in higher-end placement settings, an SSI payment is typically higher than a foster care payment.

In SFY 2002, states spent at least \$24 million in Survivors Insurance Benefits on children in out-of-home placements. Most states were unable to provide this data.<sup>41</sup> Social service agencies and child support enforcement agencies are collaborating in a concentrated effort to identify the paternity of children involved with public social service systems. By establishing paternity, those children whose fathers are deceased (or die while the child is in care) may be eligible for survivors benefits. This payment could replace or supplement federal or state dollars supporting the eligible child. For example, a non-IV-E-eligible child in foster care may receive a state-funded payment. However, if the child were eligible for survivors benefits, the state’s portion of the payment could be decreased by the amount of the survivors benefits, saving state dollars for other purposes, including child welfare activities.

In SFY 2002, states spent \$291 million in other federal funds, which represents no

change (\$185,000) from SFY 2000 based on data from 47 states.<sup>42</sup> The median was a 5 percent increase. Spending increased by 20 percent (\$45 million) between SFYs 1996 and 2002 based on 36 states. Many states see fluctuations in the amount of other federal funds they spend. This may be due to states’ ability to access and use the different funds. Reliance on these funds varies from 0 percent in three states to more than 10 percent in four states. These federal funds (e.g., Child Abuse Prevention Treatment Act and Children’s Justice Act grants) include grants provided by not only the Department of Health and Human Services, but also by the departments of Justice and Education.

States categorized \$272 million of the \$291 million in other federal funds. In SFY 2002, states spent at least \$7 million on children in out-of-home placements, of which \$5 million was spent on support services, \$809,000 on room and board, and \$1.1 million on administration; and \$21 million on adoptions and support services for adopted children, \$10 million on administration, and \$234 million on other services that often depended on the type of grant or funding that the state received (for example, support services for victims of violence).

## STATE SPENDING

In SFY 2002, states spent \$8.2 billion in state funds, a 7 percent (\$538 million) increase from SFY 2000 based on data from 48 states.<sup>43</sup> Interestingly, state funds increased at exactly the same rate as federal funds (in the past, federal funds have increased at a higher rate than state funds). The median change between SFY 2000 and SFY 2002 was an 11 percent increase. In 14 states, state spending declined, ranging from 2 percent in Utah to 29 percent in Oregon, while 10 states had increases over

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30 percent. State spending increased 14 percent between SFY 1996 and SFY 2002 based on data from 46 states.

In the last round of the survey, many state administrators predicted that the downturn in the economy would result in cuts in their child welfare budgets. While the belt around state child welfare expenditures may have tightened—the rate of growth between SFYs 2000 and 2002 was smaller than the rate of growth between SFYs 1998 and 2000 (18 percent based on data from 44 states)—many child welfare agencies did not see the budget cuts they were expecting. State administrators identified a few factors that may have prevented a decline in spending: support of the state governor and legislature, the decline in title IV-E-eligible children necessitating the use of other funds for placement costs, and the increased emphasis on adoption.

The support of state governors and legislatures seemed an overriding theme among state administrators when discussing how state economic changes affected state child welfare funds. State governors and legislatures control how much funding is appropriated to state agencies. Apparently, reductions in state appropriations for child welfare did not occur in many states, despite declining state revenues and budget cuts occurring in other departments.

An increase in state spending might also be expected given the decline in children eligible to receive title IV-E reimbursed foster care maintenance payments. Unless the child is eligible for another federal program (e.g., SSI) or the state's AFDC plan allowed the use of EA funds for non-relative foster care payments, the state and/or locality must cover all the costs associated with the maintenance payments for the child. Also, a number of states noted that ASFA's emphasis on adoption has required an increase in state money devoted

to adoption issues, such as training, subsidies, and related administrative costs.

Of the \$8.2 billion in state funds, states categorized \$5.8 billion. States spent \$2.8 billion on children in out-of-home placements, of which \$422 million was spent on support services, \$812 million on room and board, and \$329 million on administration. At least \$1 billion in state funds was spent on adoptions and support services for adopted children; \$1 billion was spent on administration (as defined in table 1), and \$944 million was spent on other services, including child advocacy centers, delinquency programs, and fatherhood initiatives.

Within the category of out-of-home placements, we asked states to further categorize their spending by placement setting. Of the \$2.8 billion in state funds spent on out-of-home placements, states categorized how \$2.4 billion was spent. In SFY 2002, states spent at least \$929 million on children in family foster care placements, \$892 million on children in residential placements, \$54 million on children in shelter care placements, \$37 million on youth in independent living, \$8 million on youth in correctional facilities, \$157 million on children in therapeutic care, and \$297 million on other placements (e.g., psychiatric treatment facilities) and supports.

## LOCAL SPENDING

In SFY 2002, states reported that localities spent at least \$2.6 billion in local funds on child welfare activities.<sup>44</sup> This is an increase of 15 percent (\$341 million) from SFY 2000 based on 34 states with available data in both rounds. This increase seems to be driven by large increases in local spending in California and New York. When California and New York are removed from the analysis, the change in local spending between SFY 2000

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and SFY 2002 is a 1 percent increase. Spending increased 48 percent (\$829 million) between SFY 1996 and SFY 2002 based on 33 states.

There was also state variation in the reliance on local funds. Local spending constituted 12 percent of total spending nationally, and ranged from less than 1 percent of total spending in Missouri to 67 percent in Indiana. Local spending accounted for at least 20 percent or more of total spending in five states. The variation is due to reporting issues and the requirements placed on localities to match funds or cover certain child welfare costs.

Most states were unable to provide data on local spending because local governments typically are not required to report their spending to the state (except when the locality is required to match funding). The total reported here, therefore, underestimates the spending incurred by local governments. Many localities may use their own funds to supplement state and federal funds.

Most local governments are not required to match state or federal funds, but of the \$2.6 billion in local spending in SFY 2002, at least \$244 million was spent to meet required local matches. Fourteen states reported that local governments are required to pay a portion of the nonfederal match for title IV-E foster care maintenance payments. Three of these states (Indiana, Minnesota, and Ohio) require that local governments pay 100 percent of the nonfederal match. The reliance on local funds is a concern because local revenue is typically generated by property taxes and the burden placed on localities is uneven owing to varying property values across a state.

States categorized \$1.6 billion of the \$2.6 billion. In SFY 2002, at least \$1.1 billion in local funds was spent on children in out-of-home placements. At least \$129 million was spent on adoptions and support services for adopted children, \$13 million on administra-

tion (as defined in table 1), and \$356 million on other services, such as independent living services and prevention and early intervention programs.

## **EXPENDITURES ON CONTRACTED SERVICES**

Most public child welfare agencies rely on separate, private (often nonprofit) agencies to provide some child welfare services. These agencies are monitored by the state or local child welfare agency. Typical contracted services include respite care, foster care, residential services, post-adoption support services, and family preservation and support services. Some states have contracted out recruitment and training of foster and adoptive parents, while a few states have contracted with community agencies to provide an alternative response system for low-risk abuse and neglect reports. Investigations and case management are typically not contracted out.

In SFY 2002, at least \$3.9 billion of total child welfare spending was spent on contracted services.<sup>45</sup> Of this amount, at least \$2.7 billion was spent on out-of-home placements, \$286 million on adoptions and support services for adopted children, \$88 million on administration, and \$757 million on other services.

States varied in the extent of their use of contracted providers. Contracted services accounted for 31 percent of total spending based on data from 26 states, and ranged from 0 percent in Utah to 90 percent in New Hampshire.<sup>46</sup> Spending on contracted services accounted for more than half of total spending on child welfare activities in 10 states. Some states have contracted out most services except for child protective services and title IV-E-eligibility determinations, while others

only use contracted providers for adoption or family preservation and support services.

## CONCLUSIONS

Our findings document the amount states spent on child welfare activities in SFY 2002, the funding sources they used, how funds were used, and shifts that have occurred since welfare reform and ASFA.

- **Based on a consistent definition of child welfare funding from SFY 1996, child welfare spending continued to increase through SFY 2002.** States spent \$22.2 billion in federal, state, and local funds in SFY 2002. This total represents an 8 percent (\$1.5 billion) increase since SFY 2000 and a 34 percent (\$5.3 billion) increase since SFY 1996 based on analysis of 46 states.
- **All components of child welfare funding—federal, state, and local—increased spending between SFY 2000 and SFY 2002.** Federal spending for child welfare activities increased by 7 percent (\$748 million), state spending by 7 percent (\$538 million), and local spending by 15 percent (\$341 million). Federal funds make up more than half of the expenditures for child welfare activities. Based on analysis of 49 states, federal funds accounted for 51 percent of total spending, state funds for 37 percent, and local funds for 12 percent.
- **Increases in TANF and Medicaid spending accounted for nearly all the increase in federal funding.** TANF spending increased 26 percent (\$468 million) and Medicaid spending increased 31 percent (\$254 million) from SFY 2000. Together, the two funding streams accounted for 97 percent of the change in federal spending between SFY 2000 and SFY 2002.
- **State and local funding increased despite state fiscal pressures in SFY 2002.** However, expenditures in SFY 2002 were just beginning to be affected by the downturn in the economy. It will be important to assess whether the increases were sustained in SFY 2004 when state budget pressures were greater, as indicated in other studies.
- **Spending on adoption continued to increase.** Of all the uses (out-of-home placements, adoptions, administration, and other services), spending on adoption appears to have increased the most between SFY 2000 and SFY 2002, increasing by \$708 million.<sup>47</sup> An increase in adoption spending was expected, given the mandates of ASFA and the subsequent movement of children from foster care to adoption or subsidized guardianship. Adoption costs are expected to continue to increase as the cumulative number of children receiving adoption subsidies increases.
- **Nondedicated funding sources—TANF, SSBG, and Medicaid—accounted for half of total spending on out-of-home placements.** Despite the fact that title IV-E is an open-ended entitlement dedicated to reimbursing states for the cost of foster care for eligible children, the use of TANF, SSBG, and Medicaid to cover the costs of administration, support services, or room and board associated with children in out-of-home placements exceeds that of title IV-E. This may be attributed to declining eligibility for title IV-E reimbursement because of its link to 1996 income levels, the block grant feature of TANF and SSBG that does not require a state match, or the use of Medicaid to serve children with more physical, mental, and behavioral health needs.
- **Spending on child welfare activities varied considerably among the states.** While total child welfare spending increased nationally, 14 states saw a decline in total spending. In addition, 16 states saw declines in federal spending, 14 states saw declines in state spending, and five states saw declines in local

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spending. Similarly, although TANF and Medicaid accounted for nearly all of the federal increase nationally, TANF spending declined in 17 states and Medicaid spending declined in 12 states.

## DISCUSSION

This report is the fourth in a series analyzing states' financing of child welfare activities. To the extent possible, we have attempted to highlight significant changes or trends in child welfare financing and suggest why these changes have occurred. However, we have tried to stress in our series of reports how difficult it is to explain changes in financing over time.<sup>48</sup> Likewise, it is difficult to explain the significant variation in financing across states.

Certainly, changes in child welfare caseloads are an important factor influencing expenditure levels. The increases in adoption expenditures we have observed over the past few years are largely the result of the increasing number of children achieving permanency through adoption and supported with a subsidy. However, a close examination of changes in child welfare financing reveals that caseload changes do not entirely account for observed financing changes. Moreover, national data can often obscure the individual state changes, averaging out the changes in the 51 jurisdictions.

The significant variation we observe across states, as well as the variation among states over time, appears to be the result of a complex array of state-specific issues. While caseload differences are obviously a factor in explaining the variation, they are not the only and are probably not the main influence on expenditures. For example, the significant variation in states' penetration rates is not consistently explained by differences in states' AFDC needs standards, upon which title IV-E

eligibility is determined. It appears that the variation we observe in states' financing of child welfare reflects a combination of factors, including but not limited to differences in caseload sizes, state priorities and policy choices, policy changes, court decisions and mandates, and efforts to increase federal resources. In appendix B, we look in depth at changes in child welfare financing in three states that provided detailed data and a degree of information about their fiscal decisionmaking. These case studies highlight some of the state-specific factors that have influenced child welfare financing.

Ultimately, we are interested in the financing of child welfare services because we are concerned about the capacity of child welfare agencies to care for vulnerable children. There is abundant evidence that the existing capacity of child welfare agencies is insufficient to meet the demands placed on them. Nationally, only about half of the children who have been substantiated as victims of abuse and neglect receive services beyond the investigation. Caseload sizes in almost all child welfare agencies exceed professional standards, in many agencies by 100 percent or more. At the same time, simply spending additional money on child welfare services does not guarantee significantly improved outcomes for children and families. It has been argued that simply spending more money without changing financial incentives (see below) only reinforces existing patterns of service delivery that disproportionately allocate resources for foster care over prevention or reunification and do not lead to improved child well-being.

Federal reviews of state child welfare agencies have traditionally focused on how well agencies have complied with mandated procedural safeguards. However, with the passage and implementation of ASFA, the federal



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government has developed a performance-based system that holds states accountable for specific child welfare outcomes. As part of the Child and Family Services Review (CFSR) process, states are now compared to a national median and penalized financially if their performance lags behind.

Linking financing to performance is fraught with difficulties. It is hard to ascertain, for example, how much of the variation in states' spending is the result of differences in need versus differences in commitment to child welfare or differences in statutory, legislative, or judicial mandates. Measures of per-child spending and even per-poor child spending may not account for differences across states in the level of need for child welfare spending. Measures based on child welfare caseloads partly reflect state decisions about how to respond to child welfare referrals. Likewise, states' abilities to generate general revenue that can be used for child welfare vary greatly owing to differences in per capita income and in state income, property, and sales tax rates.

At the same time, examining changes over time in an individual state's financing of child welfare services is an important factor to consider in interpreting findings from the CFSRs. Moreover, it will be important to assess whether states' financing of child welfare services changes as a result of the CFSR process, particularly whether additional resources are tied to states' program improvement plans developed to address documented weaknesses in their systems.

### **An Uncertain Future**

If we have learned anything from our analysis of child welfare spending over the past six years, it is that states' financing of child welfare is prone to significant changes over rela-

tively short periods. Several factors make future financing of child welfare activities uncertain, including changes in state economic conditions, congressional proposals to alter federal child welfare financing, and potential restrictions on child welfare agencies' use of nondedicated federal funds. Caseload size and changes in caseloads do not seem directly related to the uncertainty.

### ***True Impact of the Recession***

A main purpose of the fourth round of our child welfare survey was to examine how state child welfare agencies fared during a period of tight fiscal resources. As noted above, while our survey occurred during a period of economic recession in most states, many states had yet to observe the full impact of the economic downturn on their budgets. As some administrators suggested to us, the true impact of the recession may not or will not affect child welfare agency budgets until after SFY 2002.

### ***Congressional Proposals***

Many researchers and policymakers have argued that the existing structure of federal child welfare financing limits the states' abilities to develop and implement innovative programs, services, and administrative reforms to address performance weaknesses. Many have criticized the federal child welfare financing structure as inflexible and suggested that it provides financial incentives that run counter to the goals of the child welfare system.

With a cap on federal funds for prevention, support, reunification, and post-adoption services, and an open-ended entitlement on placement expenses, researchers and advocates have noted that states have little financial incentive to reinforce the child welfare goals of keeping families together and ensuring timely permanency of children removed from



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their homes. The harder states work to reduce foster care, either by lowering admission rates (placement prevention) or reducing time in care (earlier permanency), the less federal revenue is available to them because states do not get to keep the federal money saved by preventing foster care placements. Moreover, states that use less costly and restrictive placement settings do not gain any financial reward because the federal match rate is predetermined, regardless of the cost of the placement setting. In response to the concern about the capacity of child welfare agencies to care for vulnerable children, many have called for reforms that increase spending in several areas related to abuse and neglect.

Over the past decade, numerous proposals have been made to reform federal child welfare financing. In 1994, Congress authorized HHS to grant waivers from certain federal provisions to 10 states, allowing them the flexibility to design innovative child welfare experiments. In 1997, Congress expanded this authority to allow 10 additional waivers each year for five years. While Congress has failed to pass larger-scale reforms, interest in federal child welfare fiscal reform has intensified in the past few years.

Acknowledging the shortcomings of the current federal financing structure for child welfare services, Congress has debated a number of proposals to alter the eligibility requirements for federal reimbursement for foster care and adoption assistance and provide greater fiscal flexibility to states for child welfare services. For example, in his fiscal year 2004 budget, President Bush outlined a proposal to allow states the option of accepting a fixed allocation of foster care funds instead of seeking federal reimbursement for IV-E eligible children. Under this proposal, the federal government would provide states with a fixed allocation of funds based on historical expen-

ditures. The state could then use these funds for a wide range of child welfare services, regardless of whether they were being spent for a child who is currently eligible for title IV-E or whether federal reimbursement for the service could now be claimed under title IV-E.

The Pew Commission, a bipartisan group of child welfare stakeholders tasked with making recommendations to improve child welfare services, recommended “delinking” eligibility for title IV-E from AFDC income and family relationship requirements. This would make foster care and adoption expenses for all children in the child welfare system eligible for federal reimbursement, though at a lower rate of reimbursement. A bill introduced by Representative Herger also seeks to delink foster care and adoption assistance payments, but caps the amount of federal funding available to reimburse states for foster care maintenance payments. A bill introduced by Senator Rockefeller seeks to delink only the adoption assistance payments. Bills introduced by Representative Cardin and Senator Rockefeller seek to give states the option of linking IV-E eligibility to existing TANF standards (i.e., remove the “look-back” provision).

The Pew Commission also recommended that subsidies for caregivers taking guardianship of children in foster care be eligible for reimbursement under title IV-E. Bills introduced by Senator Clinton, Senator Dodd, Representative George Miller, and Representative Cardin also seek to make guardianship subsidies federally reimbursable.

To address the concerns about the disincentives to limiting foster care expenditures, the Pew Commission recommended that states be able to negotiate a foster care “baseline” with the federal government. If the state reduces its foster care expenditures below the

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negotiated baseline, the state could keep the “savings” if the savings are reinvested into the child welfare system. The bill introduced by Representative Herger also provides a reinvestment option. If a state reduces its foster care spending below its capped level of funding, the “savings” can be reinvested in the child welfare system.

Finally, the Pew Commission recommended that federal IV-E funds for administration and training, as well as the funds for title IV-B, be combined into a flexible grant for the states to use for any child welfare purpose. The bill introduced by Representative Herger seeks to establish a similar grant program. Appendix C summarizes the provisions of these financing reform proposals.

In addition to proposals to alter federal financing, several congressional bills have been introduced to increase federal investment in child welfare services and the child welfare workforce, and to hold states more accountable for achieving positive outcomes. For example, bills have been introduced to expand federal funding for child welfare prevention activities, to improve educational services to foster youth, to expand children’s mental health and parental substance abuse services, to enhance training of child welfare workers and court personnel, and to recruit and retain a better child welfare workforce by offering student loan forgiveness.

### *Nondedicated Federal Funding Sources*

Throughout this report we have documented the importance of nondedicated federal funds for financing child welfare activities. Because these funds are not dedicated for child welfare activities, child welfare agencies must continually compete for these dollars. And federal changes to these nondedicated funding sources could limit child welfare agencies’ access to these funds.

TANF was initially authorized for a five-year period ending on October 1, 2002. Congress has passed temporary extensions to the program but has yet to reauthorize it. Congress is currently debating changes to TANF, including whether to impose additional or more stringent requirements on states. If additional requirements are imposed or welfare caseloads increase significantly, states may need to spend more of their TANF dollars on welfare-related services, leaving fewer available for child welfare agencies. Any changes to the allowable uses of TANF funds, including allowable transfers to SSBG, could also affect child welfare agencies.

Continued availability of Medicaid funds to child welfare agencies through the targeted case management and rehabilitative services options is uncertain. HHS recently audited states’ spending under these options and disallowed several claims. HHS has also denied a few state plan amendments to offer or expand targeted case management for child welfare clients. As a result of efforts to better use federal funding, many state child welfare agencies have increased their Medicaid expenditures significantly over the past few years by claiming Medicaid when appropriate for allowable activities that may have previously been covered with state funds. It is uncertain whether states will be able to continue to expand their use of Medicaid or whether these efforts will produce diminishing returns. At the same time, some experts argue that states are currently spending a great deal of their own money for services that should be reimbursed under Medicaid, mental health services in particular.

## **ENDNOTES**

1. 1,701,780 children were reported for abuse or neglect in the 39 states reporting both screened-in and screened-out referrals. An overall

- national estimate of 2,600,000 referrals was calculated by multiplying the national referral rate (35.9) by the population for all 50 states and the District of Columbia (72,894,483) (U.S. Department of Health and Human Services [U.S. DHHS] 2004a).
2. By dedicated we mean funding streams created primarily for child welfare activities.
  3. The Promoting Safe and Stable Families Amendments of 2001 also authorized additional funding for *Mentoring Children of Prisoners*, a new program under title IV-B Subpart 2. Funding for this program is separate from the Promoting Safe and Stable Families funding. We do not include discussions about this program because funds were not appropriated in FFY 2002. Initial funding for the program began in FFY 2003.
  4. PRWORA also removed the restriction on the use of title IV-E funds for for-profit institutions, thereby allowing states to use IV-E funds for eligible children placed in for-profit institutions.
  5. Congress provided additional funds in 1998, 1999, and 2000 that exceeded the \$20 million level to guarantee that states received their full incentive earnings. In 2001 and 2002, total state incentive earnings were less than \$20 million.
  6. Reauthorization of the Adoption Incentive program in December 2003 increased appropriations to \$43 million for FFYs 2004 through 2008, updated the baselines used to determine a state's eligibility for an adoption incentive payment, and revised the incentive structure to provide \$4,000 for each adopted child exceeding the overall baseline; \$4,000 for each adopted child who is 9 years old or older and exceeds the relevant baseline; and assuming that the state exceeded at least one of the first two baselines, \$2,000 for any special needs child under the age of 9 who is adopted above the relevant baseline. The incentive payment for a child who can be counted toward exceeding more than one of these baselines is the sum of those awards (e.g., if a child is counted as exceeding the overall baseline and exceeding the age 9 or older baseline, the state receives \$8,000).
  7. The amendments also added a discretionary funding authorization for education and training vouchers (beyond the Chafee funds), up to \$60 million annually. Congress made the first appropriation for this purpose in FFY 2003.
  8. The original amount published was \$14.4 billion, but states adjusted their SFY 1996 data during later rounds.
  9. The original amount published was \$15.6 billion, but states adjusted their SFY 1998 data during the third and fourth rounds.
  10. Changes in spending between SFYs 2000 and 2002 and SFYs 1996 and 2002 were analyzed separately. The 46 states used in each analysis are not the same states.
  11. The number of children victimized declined 8 percent between FFY 1996 and FFY 2002 and the victimization rate of children declined from 14.7 per 1,000 children in FFY 1996 to 12.3 per 1,000 children in FFY 2002 (U.S. DHHS 1998, 2004a). The number of foster children stabilized—increasing 12 percent between FFY 1996 and FFY 1999 and then declining 7 percent between FFY 1999 and FFY 2002. In total, caseloads increased approximately 5 percent between FFY 1996 and FFY 2002 according to AFCARS data available as of March 1, 2004; adoption assistance caseloads have increased 107 percent between FFY 1996 and FFY 2001 (U.S. House of Representatives 2000, 2004).
  12. For most states, state fiscal year 2002 was from July 1, 2001, to June 30, 2002, encompassing five months of the recession.
  13. Forty-nine states provided data for federal, state, and local funds. Ten states unable to provide local expenditures were included in this analysis because they are state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure. In SFYs 1996, 1998, and 2000, federal spending accounted for 43 percent, 47 percent, and 50 percent of total spending, respectively.
  14. States were requested to categorize spending in four groupings. Because states do not have standard accounting methods, many states were unable to categorize spending in our uniform manner. Changes over time in spending by use are not presented because of the small number of states able to provide these data consistently in two rounds.
  15. The out-of-home placements and adoption categories include spending on payments, administration, and support services associated with children in out-of-home or adoptive placements. Support services refer to those services meant to improve a child's

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- well-being (e.g., mental health services, tutoring) and maintain a child's safety (e.g., child care).
16. Types of care categorized as "other" by some states might be considered family foster care, residential care, shelter care, and the like by other states, speaking again to states' numerous accounting methods and the difficulties states have trying to categorize spending based on the uniform definitions created by the Urban Institute.
  17. Adoption spending increased by \$375 million between SFY 1998 and SFY 2000.
  18. Includes TANF funds transferred to SSBG.
  19. Title IV-E made up 48 percent of total federal funds in SFY 2000.
  20. Types of care categorized as "other" by some states might be considered family foster care, residential care, shelter care, and the like by other states, speaking again to states' numerous accounting methods and the difficulties states have trying to categorize spending based on the uniform definitions created by the Urban Institute.
  21. Special needs children must be AFDC- or SSI-eligible to qualify for federally matched adoption assistance payments. Section 473(c)(2) of the Social Security Act defines a special needs child as a child with "a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance under this section or medical assistance under title XIX." States have discretion in defining special needs (e.g., may include religion) and determining eligibility.
  22. Total title IV-E expenditures are based on data from 51 states. Connecticut was unable to provide SFY 2002 data; the data presented are based on the states' claims to HHS. Forty-eight states were able to provide title IV-E expenditures on the Foster Care Program, 47 states were able to provide title IV-E expenditures on the Adoption Assistance Program, and 50 states were able to provide title IV-E expenditures on the Chafee Foster Care Independence Program.
  23. Some children that are not adopted from the foster care system are eligible to receive title IV-E adoption subsidies.
  24. National data for FFY 2001 stated that 74 percent of the children adopted from foster care received a IV-E reimbursed adoption subsidy (U.S. House of Representatives 2004).
  25. Alaska, Arizona, California, Florida, Kansas, Louisiana, Nebraska, New Jersey, Oklahoma, and Texas (Eilertson 2002). Ohio extended the option after this publication.
  26. New York, North Dakota, Utah, and Washington (Eilertson 2002).
  27. Total title IV-B expenditures are based on data from 51 states. Connecticut was unable to provide SFY 2002 data, but the state's allocations were included. Fifty states were able to provide title IV-B subpart 1 expenditures and 49 states were able to provide title IV-B subpart 2 expenditures. One state (Colorado) included subpart 2 expenditures in the subpart 1 total. One state (South Dakota) provided only total title IV-B. For title IV-B subpart 1 expenditures by use: 36 states were able to provide out-of-home placement and adoption expenditures, 38 states were able to provide administration and other service expenditures, and 28 states were able to break out out-of-home placement expenditures by support services, maintenance, and administration. For title IV-B subpart 2 expenditures by use: 35 states were able to provide out-of-home placement expenditures, 38 states were able to provide adoption and other service expenditures, 37 states were able to provide administration expenditures, and 31 states were able to break out out-of-home placement expenditures by support services and administration, 32 states by maintenance.
  28. States must spend at least 20 percent of their subpart 2 dollars on each of the four required service categories (family preservation, community-based family support programs, time-limited family reunification services, and adoption promotion and support services) unless they have provided strong rationale to HHS for not doing so. It appears states have discretion on how they use the remaining subpart 2 funds, except for a statute limiting expenditures on administration to no more than 10 percent.
  29. States must spend at least 75 percent of what they spent in fiscal year 1994 to meet the maintenance of effort (MOE) requirement; they must spend 80 percent if they do not meet the work requirements.

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30. Activities must meet one of the four purposes of the TANF program or have been in the state's approved AFDC plan as in effect on September 30, 1995, or August 16, 1996. The four purposes of the TANF program are to "(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families" (Section 401(a) of the Social Security Act).
  31. The original change published was 47 percent, but states adjusted their SFY 1996 and SFY 1998 data during the second, third, and fourth rounds of the survey.
  32. The original change published was 168 percent, but states adjusted their SFY 1998 and SFY 2000 data during the third and fourth rounds of the survey.
  33. Total TANF expenditures are based on data from 50 states. Connecticut was unable to provide SFY 2002 data. For TANF expenditures by use: 39 states were able to provide out-of-home placement expenditures, with 29 states able to identify out-of-home placement expenditures on support services and administration and 30 states able to identify out-of-home placement expenditures on maintenance payments; 37 states were able to provide TANF adoption expenditures and administration expenditures; and 39 states were able to provide TANF expenditures on other services.
  34. In SFY 2000, 17 states were unable to provide the amount of TANF funds transferred to SSBG.
  35. We do not include TANF spending on cash assistance payments provided to relative caregivers in child-only cases.
  36. Total SSBG expenditures are based on data from 49 states. Connecticut was unable to provide SFY 2002 data and North Carolina was unable to provide SSBG expenditures. For SSBG expenditures by use: 37 states were able to provide out-of-home placement expenditures, with 29 states able to identify out-of-home placement expenditures on support services, maintenance payments, and administration; and 36 states were able to provide SSBG expenditures for adoption, administration, and other services.
  37. The Centers for Medicare & Medicaid Services are currently discussing whether and when Medicaid should cover the cost of services provided as part of a state's child welfare program. However, in SFY 2002, child welfare agencies claimed Medicaid for these services.
  38. Total Medicaid expenditures are based on data from 43 states. For Medicaid expenditures by use: 31 states were able to provide out-of-home placement expenditures, with 27 states able to identify out-of-home placement expenditures on support services, maintenance payments, and administration; 30 states were able to provide Medicaid adoption expenditures; 28 states were able to provide Medicaid expenditures on administration; and 29 states were able to provide Medicaid expenditures on other services.
  39. Section 1614 (a) (3) (C) (i) of the Social Security Act, as amended by PRWORA (1996).
  40. Thirty states were able to provide SSI expenditures.
  41. Only 19 states were able to provide Survivors Benefits expenditures.
  42. Total other federal fund expenditures are based on data from 50 states. For other federal fund expenditures by use: 32 states were able to provide out-of-home placement expenditures, with 32 states able to identify out-of-home placement expenditures on support services, maintenance payments, and administration; 37 states were able to provide other federal fund adoption expenditures; 35 states identified other federal funds used for administration expenditures; and 38 states were able to provide other federal fund expenditures on other services.
  43. The 48 states that provided the change in total state spending are not the same 48 states that provided information for the federal change analysis. Total state spending is based on data from 51 states. Connecticut was unable to provide SFY 2002 data; the data presented represent the corresponding state match for titles IV-E and IV-B expenditures. For state fund expenditures by use: 33 states were able to provide out-of-home placement expenditures, with 19 states able to identify out-of-home placement expenditures on support services, maintenance payments, and administration;



36 states were able to provide state adoption expenditures; 29 states identified state funds used for administration expenditures; and 33 states were able to provide state expenditures on other services.

44. Total local expenditures are based on data from 40 states. For local fund expenditures by use: 32 states were able to provide out-of-home placement expenditures, with 28 states able to identify out-of-home placement expenditures on support services, maintenance payments, and administration; 31 states were able to provide local adoption expenditures; 26 states identified local funds used for administration expenditures; and 30 states were able to provide local fund expenditures on other services.
45. Twenty-six states reported total expenditures for contracted services. Of those, 21 states identified expenditures on contracted services for out-of-home placements, 23 states identified expenditures on adoption, 18 states identified expenditures on administration, and 21 identified expenditures on other services.
46. North Dakota reported that contracted services accounted for 100 percent of their total spending on child welfare activities; however, we believe this is inaccurate so we excluded the state as the upper limit in the range of contracted services.
47. Spending on adoption in SFY 2000 totaled \$1.9 billion when adjusted for inflation.
48. In some instances, we are uncertain whether the changes we observe are “real” or simply a result of changes in states’ reporting methods or analysis. We have attempted to identify such instances in this report.

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# APPENDICES

- A** SFY 2002 State-by-State Data
- B** Selected State Case Studies
- C** Summary of Recent Federal  
Proposals to Alter Child  
Welfare Financing
- D** State Profiles

# APPENDIX A: SFY 2002 State-by-State Data

State	Total spending (\$)	Change from SFY 2000	Federal spending (\$)	Change from SFY 2000	Title IV-E (\$)	Change from SFY 2000	Title IV-B <sup>a</sup> (\$)	Change from SFY 2000	TANF <sup>b</sup> (\$)	Change from SFY 2000
Alabama	271,997,873	35.61%	175,368,538	135.70%	31,059,893	59.42%	11,609,116	6.74%	21,295,594	122.81%
Alaska	82,246,655	59.37%	31,219,555	20.51%	14,752,952	6.20%	1,166,500	153.09%	0	-100.00%
Arizona	263,162,613	13.00%	159,312,366	14.18%	56,923,703	-5.08%	12,192,407	21.66%	40,021,765	110.79%
Arkansas	68,005,126	-12.50%	45,108,952	-5.77%	35,183,839	-6.35%	5,493,814	0.38%	1,700,000	-47.36%
California	3,969,123,381	19.48%	1,795,256,381	18.44%	1,271,781,000	14.95%	75,082,107	2.18%	235,752,000	35.68%
Colorado	369,968,558	-1.11%	174,491,524	-2.43%	64,105,711	28.24%	6,330,460	-3.77%	11,435,984	2285.56%
Connecticut	139,672,616		73,862,288		68,367,027		5,495,261		-	
Delaware	51,369,725	3.88%	20,549,252	2.66%	13,349,993	11.63%	1,471,840	-1.58%	0	0.00%
D.C.	218,074,750	42.53%	77,138,769	3.18%	38,728,989	-12.97%	1,861,543	23.80%	11,000,000	-3.85%
Florida	766,109,440	6.55%	436,772,421	-0.40%	183,180,612	1.04%	34,901,034	34.11%	137,595,047	852.45%
Georgia	385,718,188	18.35%	230,144,157	41.28%	87,889,807	23.52%	14,899,096	-16.57%	44,439,858	59.79%
Hawaii	80,423,767	44.44%	37,028,343	-6.22%	25,105,189	-6.16%	2,260,300	-0.46%	2,000,000	92.31%
Idaho	49,785,800	1.98%	29,142,100	-18.04%	8,375,900	-9.71%	2,391,600	-7.35%	7,529,500	-53.80%
Illinois	1,373,409,026	-5.00%	738,430,027	-0.65%	392,190,791	9.21%	28,056,959	23.00%	167,560,847	-0.14%
Indiana	383,761,912	6.17%	108,725,458	9.81%	65,071,406	10.83%	9,033,518	-15.72%	9,659,663	136.93%
Iowa	317,371,621	-1.23%	141,224,971	-13.26%	44,871,784	-19.81%	4,970,904	17.36%	23,006,716	-23.77%
Kansas	183,960,499	2.73%	114,299,519	-13.67%	38,346,048	-4.66%	4,708,965	-11.36%	29,937,526	-40.43%
Kentucky	331,951,216	17.88%	127,241,464	19.74%	67,052,988	19.46%	10,177,838	14.95%	28,250,423	170.32%
Louisiana	205,212,594	-3.61%	121,369,877	-1.87%	58,783,946	-12.56%	12,433,085	-13.15%	506,569	
Maine	143,503,838		60,019,217	4.53%	50,163,202	5.21%	2,823,880	9.05%	3,000,000	-3.85%
Maryland	431,512,479		206,423,022	21.02%	124,057,282	10.06%	7,071,196	-8.31%	34,400,539	61.70%
Massachusetts	634,846,929	16.08%	249,648,754	15.21%	89,789,754	7.07%	7,362,802	-24.76%	0	0.00%
Michigan	760,995,545	-10.15%	465,605,966	-10.23%	242,590,718	3.21%	23,910,437	17.37%	144,158,583	-12.21%
Minnesota	621,865,000	19.73%	226,856,439	13.63%	93,335,925	-0.75%	8,060,164	4.68%	4,650,000	-29.56%
Mississippi	56,899,368	6.38%	34,410,873	-6.72%	14,919,822	-16.69%	5,980,733	2.07%	2,816,085	6523.23%
Missouri	487,278,630	-2.52%	302,682,132	4.07%	85,593,591	-3.93%	12,893,294	6.46%	26,638,161	17.97%
Montana	44,723,037	7.91%	21,764,484	11.25%	14,087,929	3.26%	1,832,065	11.35%	2,650,000	94.36%
Nebraska	143,945,744		63,422,608		27,797,428	-0.78%	3,590,060	62.63%	0	
Nevada	78,232,653	14.60%	42,752,577	12.48%	19,296,286	9.20%	3,380,306	22.77%	3,124,191	20.02%
New Hampshire	58,082,783	19.74%	27,627,924	20.72%	6,741,662	-21.08%	1,833,232	0.34%	1,472,349	41.90%
New Jersey	460,389,862	-1.03%	189,600,334	-8.00%	87,405,658	7.86%	13,523,675	16.81%	8,340,000	17.24%
New Mexico	77,273,580	16.73%	43,862,816	6.44%	25,336,344	0.71%	4,197,000	42.48%	551,056	
New York	2,552,961,000	11.27%	1,386,157,000	0.81%	631,433,000	6.02%	14,229,000	-5.85%	515,395,000	15.52%
North Carolina	314,207,149	8.69%	204,357,182	11.40%	71,827,809	-2.51%	17,952,000	19.19%	3,204,644	
North Dakota	32,237,497	3.10%	25,271,693	1.55%	9,957,507	15.94%	1,173,690	81.15%	7,495,328	-20.20%
Ohio	860,302,907	2.12%	429,794,881	18.11%	378,472,533	20.15%	16,719,280	-27.57%	24,684,395	
Oklahoma	195,095,580	1.26%	125,228,618	1.31%	47,498,021	-9.92%	6,201,997	-6.07%	13,054,004	180.20%
Oregon	259,147,279	-2.97%	174,773,370	12.36%	50,795,095	7.71%	5,668,926	-2.05%	43,537,134	26.20%
Pennsylvania	1,281,310,642	-0.87%	614,835,766	1.67%	319,357,487	-5.88%	21,633,000	121.14%	260,529,023	7.62%
Rhode Island	166,940,105	-15.16%	78,080,105	-2.12%	19,782,067	7.69%	2,730,411	29.72%	8,005,085	-3.38%
South Carolina	239,800,000	18.39%	170,276,000	34.60%	40,649,000	49.38%	10,889,000	30.72%	12,859,000	-7.76%
South Dakota	39,441,666	18.03%	23,258,291	13.30%	7,135,548	7.32%	966,024	22.25%	4,600,519	3.20%
Tennessee	425,944,946	8.20%	187,333,669	15.59%	38,297,764	6.47%	8,616,865	-23.14%	0	0.00%
Texas	824,978,690	22.43%	540,113,780	27.13%	160,891,955	30.88%	59,004,230	18.09%	220,280,904	29.08%
Utah	120,228,300	-5.79%	57,838,300	-9.72%	24,704,200	-1.74%	4,697,100	-5.47%	0	-100.00%
Vermont	67,265,907	6.04%	43,886,480	8.96%	19,710,181	7.44%	1,354,943	-3.59%	3,564,784	-1.93%
Virginia	335,031,670		218,242,752		71,311,559	20.19%	8,929,335	-2.96%	89,568,077	
Washington	396,477,199	-0.30%	188,857,649	-1.65%	66,132,748	52.31%	11,127,880	-10.70%	17,521,014	-5.67%
West Virginia	154,448,327	5.37%	89,537,723	2.01%	32,740,679	25.15%	5,588,947	12.25%	36,761,140	0.58%
Wisconsin	349,464,994	-19.13%	159,964,994	-27.28%	112,516,763	-1.79%	9,406,889	-0.92%	28,022,820	-5.64%
Wyoming	30,087,462	58.02%	15,278,008	26.26%	3,825,606	47.65%	1,077,777	19.91%	4,203,536	328.64%
<b>U.S. Total</b>	<b>22,156,246,128</b>	<b>7.69%</b> n = 46	<b>11,304,449,369</b>	<b>7.34%</b> n = 48	<b>5,553,276,701</b>	<b>8.47%</b> n = 50	<b>548,962,485</b>	<b>7.44%</b> n = 50	<b>2,296,778,863</b>	<b>26.02%</b> n = 47

Sources: 2001 and 2003 Urban Institute Child Welfare Surveys.

0 = state does not use funding stream; - = state uses funding stream but could not provide data.

Notes: U.S. spending totals are based on data from all 51 states. Changes are adjusted for inflation and based on sample sizes noted. Percent changes left blank could not be calculated because of missing or incomplete data or because the state did not use the funding source in SFY 2000 or SFY 2002.

a. Title IV-B represents subparts 1 and 2 combined.

b. TANF spending does not include TANF funds transferred to SSBG; these are included in SSBG spending. Therefore total TANF spending on child welfare services is underestimated, while total SSBG spending on child welfare services is overestimated.

Limitations: Connecticut was unable to provide SFY 2002 data; the data presented were taken from HHS with the corresponding state match. Florida SSBG funds in SFY 2000 may have included spending beyond child welfare. Iowa, Massachusetts, Oklahoma, and Texas included Survivor's Benefits with SSI in SFYs 2000 and 2002.

Michigan SSBG data are incomplete. South Carolina, South Dakota, and Tennessee included Survivor's Benefits with SSI in SFY 2002. Wisconsin's change in SSBG are unavailable owing to reporting issues in prior year.

SSBG (\$)	Change from SFY 2000	Medicaid (\$)	Change from SFY 2000	SSI (\$)	Change from SFY 2000	State spending (\$)	Change from SFY 2000	Local spending (\$)	Change from SFY 2000
35,242,743	70.10%	75,492,004	485.14%	—	—	95,051,494	–23.90%	1,577,841	24.05%
8,258,500	46.27%	5,588,047	1307.41%	790,956	–23.29%	51,027,100	98.55%	0	0.00%
47,894,544	–3.72%	—	—	309,200	–33.94%	103,850,247	11.24%	0	—
1,986,770	46.35%	109,305	–3.85%	0	—	22,896,174	–23.29%	—	—
161,672,000	40.05%	32,880,000	–15.27%	—	—	1,274,885,000	20.68%	898,982,000	19.87%
24,558,370	–60.31%	66,766,205	12.93%	—	—	133,791,121	–5.00%	61,685,913	13.31%
—	—	—	—	—	—	65,810,328	—	0	—
2,625,835	–0.40%	257,004	–46.05%	247,793	–58.21%	30,820,473	4.71%	—	—
549,819	–56.44%	23,595,312	59.97%	398,641	–40.78%	140,935,981	80.13%	0	0.00%
63,728,431	—	3,978,767	–65.77%	9,570,004	40.28%	328,774,382	17.20%	562,637	—
22,328,466	–22.72%	54,297,824	264.23%	—	—	153,575,783	–4.74%	1,998,248	12.13%
6,575,717	–26.66%	—	—	—	—	43,395,424	167.92%	—	—
9,655,100	32.00%	623,300	641.26%	—	—	20,643,700	55.64%	—	—
88,692,123	–17.01%	36,339,907	–20.26%	13,555,100	–9.53%	634,978,999	–9.60%	0	0.00%
14,170,202	3.85%	—	—	—	—	18,225,527	205.26%	256,810,927	0.13%
17,214,525	–5.32%	47,345,909	–5.02%	3,084,336	–9.32%	176,146,650	11.14%	—	—
5,703,114	–26.62%	22,963,462	39.59%	—	—	69,660,983	49.25%	—	—
15,527,036	–35.51%	0	0.00%	3,216,495	–17.44%	204,709,752	16.75%	0	0.00%
43,598,021	22.51%	0	0.00%	1,925,682	–27.47%	83,842,717	–6.02%	0	0.00%
807,000	–3.85%	1,229,304	5.77%	813,583	–4.75%	83,484,621	—	0	0.00%
30,755,321	57.70%	9,308,216	13.05%	—	—	206,326,533	3.59%	18,762,924	—
83,526,851	–9.01%	60,681,838	159.90%	4,397,642	–20.47%	385,198,175	16.66%	0	0.00%
46,764,158	—	—	—	—	—	264,255,435	–4.76%	31,134,144	–38.71%
20,421,359	–5.92%	69,116,749	69.95%	—	—	134,224,268	16.56%	260,784,293	27.47%
10,297,294	–12.42%	—	—	—	—	21,055,406	36.86%	1,433,089	18.19%
25,748,485	–22.06%	30,711,483	42.28%	4,423,521	24.51%	184,434,091	–11.69%	162,407	–14.74%
1,400,000	–34.91%	0	0.00%	600,000	—	22,958,553	21.53%	—	—
0	—	30,090,267	—	1,944,853	—	80,523,136	10.90%	0	—
3,686,487	0.23%	10,244,697	14.52%	—	—	35,480,076	17.27%	—	—
2,725,340	28.04%	13,264,122	105.69%	513,746	–3.71%	23,015,011	18.23%	7,439,848	20.86%
47,920,000	–17.10%	28,511,958	–33.80%	1,009,085	–64.20%	270,789,528	4.50%	0	0.00%
3,760,916	2.57%	8,275,800	–0.73%	1,048,300	15.55%	33,410,764	33.70%	0	0.00%
222,000,000	–28.37%	0	0.00%	—	—	704,094,000	14.36%	462,710,000	52.37%
—	—	—	—	—	—	45,134,431	1.56%	64,715,536	5.76%
1,508,077	–6.04%	5,137,091	40.38%	0	0.00%	5,599,471	12.96%	1,366,333	–4.07%
6,717,019	–72.11%	1,454,163	32.18%	—	—	102,283,752	–6.04%	328,224,274	–11.23%
21,189,667	–4.86%	29,062,178	–3.94%	3,725,123	–4.67%	69,866,962	1.18%	0	0.00%
12,603,810	–19.73%	55,276,966	12.75%	3,154,287	13.63%	79,102,409	–29.08%	5,271,500	—
10,040,179	–3.83%	3,276,077	16.28%	—	—	471,845,003	–5.95%	194,629,873	4.59%
0	0.00%	41,345,820	–7.06%	835,988	–9.24%	88,860,000	–24.05%	0	0.00%
15,221,000	–18.71%	83,512,000	51.65%	1,800,000	—	69,524,000	–8.57%	—	—
4,953,856	–1.37%	3,934,262	87.95%	483,138	—	16,183,375	25.57%	0	0.00%
30,910,598	11.74%	102,962,485	34.20%	4,823,345	–2.83%	238,611,277	3.03%	0	0.00%
7,812,105	62.02%	70,498,771	27.40%	7,375,932	12.49%	275,998,691	13.47%	8,866,219	54.94%
7,363,800	–10.52%	18,931,900	–7.80%	644,900	–7.95%	62,390,000	–1.82%	—	—
5,734,429	–6.30%	12,565,013	25.85%	878,339	28.73%	23,379,427	0.97%	0	0.00%
47,476,209	—	0	0.00%	0	0.00%	78,312,044	125.60%	38,476,874	52.22%
37,844,000	–3.86%	39,627,388	6.32%	—	—	207,619,550	0.96%	0	–100.00%
14,070,262	–28.09%	—	—	—	—	64,910,604	10.37%	0	0.00%
9,200,000	—	366,634	–47.46%	—	—	189,500,000	—	—	—
3,052,507	–33.04%	2,498,677	6.27%	214,483	–20.56%	14,809,454	113.40%	0	0.00%
<b>1,305,492,045</b>	<b>–10.64%</b>	<b>1,102,120,905</b>	<b>31.01%</b>	<b>71,784,472</b>	<b>–3.66%</b>	<b>8,206,201,882</b>	<b>7.34%</b>	<b>2,645,594,880</b>	<b>14.95%</b>
	n = 44		n = 42		n = 25		n = 47		n = 34



# APPENDIX B: Selected State Case Studies

**M**any factors affect a state's child welfare spending, including state-specific initiatives, access to federal funds, caseload size and composition, state and federal statutory requirements, and high-profile cases of child deaths due to abuse or neglect to list a few. By combining these and other factors with the four rounds of survey data, a more thorough examination of trends in child welfare spending is presented for selected states. These "case studies" illustrate the shifts in spending priorities and financing methods in the selected states. This information is intended to help the field truly understand how volatile and complex child welfare financing is in an individual state. In addition to using data from the four waves of the survey, we incorporated other research on the state's child welfare system where available.

The selected states are Minnesota, South Carolina, and Texas. We chose states first based on the number of data points provided in the four rounds of the survey. While some data points may be missing in one round of the survey, these limitations do not put off drawing reasonable conclusions about overall changes in the state's financing of child welfare activities. The list was then narrowed down to states that participated in the phone interviews and provided additional clarification for their responses to the surveys. Last, we chose states that represented a mixture of small, medium, and large systems (based on the number of children in care) that operate under state- or county-administered structures. The case studies were reviewed by administrators in each state for accuracy and clarification.



## Background

**Child welfare administrative structure.** Child welfare activities in Minnesota are county-administered with state supervision from the Minnesota Department of Human Services, an umbrella agency that includes Medicaid, other social services (e.g., child care, adult mental health, etc.), and economic support programs (e.g., TANF, Food Stamps, etc.). This administrative structure provides counties with considerable decisionmaking authority over designing and implementing child welfare programs to best meet local needs, while at the same time requiring a substantial financial commitment from counties.

**Foster care and adoption statistics.** In 2001, 8,167 children were in foster care in Minnesota, a slight decline from 1998. However, more children continued to enter foster care than exit foster care during this same period (U.S. Department of Health and Human Services [U.S. DHHS] 2004).<sup>1</sup> In 2001, 49 percent of the children in foster care were in non-relative foster care, a slight decrease from 1998 when 55 percent were in non-relative foster care. However, the percent of children in institutions increased from seven to 19 percent in the same period<sup>2</sup> (U.S. House of Representatives 2000, 2004). The proportion of children in other placement settings, including relative care, remained relatively the same during this time period. Of the 9,269 children that exited care in 2001, 567 were adopted. This is an increase from 429 adoptions in 1998 (U.S. DHHS 2004). Minnesota reported the number of children receiving adoption assistance increased from 3,552 children in December 2000 to 4,711 children in December 2002.

Minnesota performed better than the national median on six of the seven national child welfare outcomes: reduce recurrence of child abuse and/or neglect, reduce incidence of

maltreatment in foster care, increase permanency for children in foster care, reduce time to reunification without increasing reentry, increase placement stability,<sup>3</sup> and reduce time in foster care to adoption (U.S. DHHS 2004).

## Total Child Welfare Spending

Minnesota spent \$622 million from federal, state, and local sources on child welfare activities in state fiscal year (SFY) 2002, a 63 percent increase from SFY 1996.<sup>4</sup> The majority of this increase is seen in a tripling of state spending (\$96 million more). Spending from federal and local resources increased 57 and 30 percent, respectively, over the same period.

Total spending increased for a couple of reasons. First, there may have been increases in the cost of care associated with children with more severe needs coming into foster care (Tout et al. 2001). So, even while the foster care caseload may have declined slightly, the composition may have changed, requiring more costly placement settings and treatments. Moreover, foster care payments increased based on increases in the USDA estimates of the cost of raising a child. In addition, in 1999 Minnesota began an intensive effort to increase the recruitment of adoptive homes, thereby increasing their adoption caseload. This effort has grown each year for which survey data are available and has mostly been covered by state funds.

In SFY 2002, federal funds accounted for 36 percent of total spending, state funds for 22 percent, and local funds for 42 percent. Unlike the majority of the nation, a substantial portion of child welfare spending in Minnesota is provided by counties.<sup>5</sup> More than half of total spending (64 percent) was provided by the state and localities. In SFY 1996, 38 percent of total spending was from federal sources, 10 percent was from state funds, and

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52 percent was from local funds. Thus, even with the differing rates of increase in federal, state, and local funds, the federal versus state/local shares of total spending remained relatively level. Yet the state share alone doubled, reducing some of the local burden.

Minnesota is similar to a small set of states in its great reliance on local funds for child welfare activities. However, dependence on local funds raises concerns about inequities. Local revenue is typically generated by property taxes, and this tax base varies across a state, so some localities may have more funds available than others. Relying on local governments to fund child welfare activities places the child welfare system in competition with other local government-funded activities, most notably education. And while localities have to meet certain statutory obligations in terms of the child welfare services provided, funding for needed support and prevention services are potentially left open to cuts when local revenue declines. To avoid these cuts, Minnesota required that the federal reimbursements received from the targeted case management program and the local collaborative time study (described below) be used to expand prevention and early intervention services.

Minnesota was able to categorize all \$622 million spent in SFY 2002 by use—that is, on out-of-home placements, adoptions, administration, and other services. In SFY 2002, 47 percent (\$293 million) was spent on children in out-of-home placements. This includes \$49 million for support services, \$148 million for room and board, and \$97 million for administration.<sup>6</sup> Seven percent (\$43 million) of total spending was on adoptions. Two percent (\$11 million) was spent on administration and 44 percent (\$274 million) was spent on other services, such as assessments and family support and preservation services. These shares are similar to SFY 1998.<sup>7</sup>

In dollar terms, the largest increase by use between SFY 1998 and 2002 was on other services, which increased 36 percent from \$202 million to \$274 million.<sup>8</sup> Most of this increase is accounted for by increases in Medicaid spending detailed below. Spending on adoptions more than doubled, from \$19 million to \$43 million. This increase is seemingly the result of the intensive effort to place more children in adoptive homes as noted above. Total spending on out-of-home placements increased 22 percent, from \$240 to \$293 million, seemingly because of an increasing cost of care.

### **Federal Child Welfare Spending**

In SFY 2002, Minnesota spent \$227 million in federal funds on child welfare activities. This is a 57 percent increase from SFY 1996. The increase can primarily be seen in title IV-E and Medicaid.

Beyond the growth in the adoption caseload and the possible increase in the cost of care for children in out-of-home placements, the growth in federal spending appears to be the result of new targeted case management services for children in foster care and increased claiming for some administrative expenses. The state began claiming Medicaid for three new programs: targeted case management for child welfare, targeted case management for mental health, and treatment and room and board for children in a residential treatment facility. The state also increased claiming for administrative expenses through a local collaborative initiative that generates allowable claims for activities performed by several agencies. The funds are intended to develop and provide preventive or early intervention services to children, adolescents, and families at risk, with the aim of improving health and welfare, and reducing out-of-home placement.

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In SFY 2002, expenditures from title IV-E accounted for approximately 41 percent of the total federal funds used for child welfare activities, Medicaid for 30 percent, other federal funds (including Children's Justice Act and CAPTA grants) for 14 percent, SSBG for 9 percent, TANF for 2 percent, title IV-B subpart 1 for 1.9 percent, and title IV-B subpart 2 for 1.7 percent.<sup>9</sup> Reliance on other federal funds was greater in Minnesota than in the nation as a whole (3 percent nationally), as was reliance on Medicaid (11 percent nationally). The shares of federal funds spent in SFY 2002 were similar to the shares spent in SFY 1996, with the exception of TANF and other federal funds. Title IV-A Emergency Assistance (the predecessor to TANF) represented 7 percent of federal spending in SFY 1996 and other federal funds represented 5 percent.

Of the \$227 million in federal spending in SFY 2002, \$87 million was spent on children in out-of-home placements, accounting for 30 percent of total spending on out-of-home placements. Federal spending on children in out-of-home placements increased 17 percent from SFY 1998, but the federal share of total out-of-home placement spending remained level. Increases in title IV-E spending explain the change in out-of-home placement spending.

Minnesota spent \$18 million in federal funds on adoptions, more than double what was spent in SFY 1998. This accounted for 43 percent of all adoption spending in SFY 2002, similar to SFY 1998 even while spending doubled. Just over \$9 million was spent on administration in SFY 2002, representing 82 percent of total spending on administration. The \$113 million spent on other services is 48 percent more than was spent in SFY 1998. Federal spending accounted for 41 percent of all spending on other services, similar to the 38 percent in SFY 1998. Most of the growth in adoption spending can be attrib-

uted to the rise in the adoption caseload and is reflected in title IV-E spending. The rise in other services likely reflects the state's attempt to meet the needs of children, and these expenses are seen in the additional Medicaid spending.

**Dedicated federal funds.** In SFY 2002, \$93 million in title IV-E funds was spent, a 60 percent or \$35 million increase from SFY 1996. This growth is seen in both the Foster Care and Adoption Assistance programs.

The Foster Care Program increased 48 percent, from \$51 million to \$75 million. The majority of this growth was the result of a quadrupling of administration spending from \$10 million to \$43 million. At the same time, maintenance payments declined 12 percent, from \$26 million to \$23 million. This drop in the maintenance payment is likely a result of the declining federal reimbursement rate<sup>10</sup> and the decrease in the share of children receiving a title IV-E reimbursed foster care maintenance payment from 66.6 percent in SFY 2000 to 63 percent in SFY 2002.<sup>11</sup> Minnesota reported that the penetration rate steadily increased until March 2000, and has decreased since then owing to the look-back date for eligibility determination and the ASFA regulation requiring relatives to meet the same licensing standards as non-relatives for title IV-E reimbursement. The combination of these two factors has shifted some of the burden for covering the expenses associated with children in out-of-home placements from the federal government to local governments (in Minnesota, state funds are not used for room and board).

Spending on the Adoption Assistance Program almost tripled between SFY 1996 and SFY 2002, increasing from \$6 million to \$17 million. Most of this increase is seen in adoption subsidy spending, which increased from \$4 million to \$11 million. In SFY 2002, approximately 82 percent of children in adoptive

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placements were receiving a title IV-E reimbursed subsidy.<sup>12</sup> Adoption administration spending quadrupled from \$1 million to \$4 million. These increases reflect the increasing adoptions noted above.

Minnesota spent \$1.3 million in Chafee funds in SFY 2002, relatively no change from SFY 1996.<sup>13</sup> Minnesota spent most, if not all, of its allocations from title IV-B subparts 1 and 2 in 2002.

***Nondedicated federal funds.*** In SFY 2002, Minnesota spent \$4.7 million in TANF funds on child welfare activities, not including funds transferred to SSBG. This is a 56 percent decrease from SFY 1996. TANF funds have continuously declined between SFY 1998 and 2002 as a smaller amount was made available for child welfare activities. When TANF funds transferred to SSBG are included, Minnesota spent \$9.1 million in TANF funds in SFY 2002, a 13 percent decline from SFY 1996. The amount of TANF funds transferred to SSBG declined from \$11 million in SFY 2000 to \$4.5 million in SFY 2002.<sup>14</sup>

Minnesota spent \$20 million in SFY 2002 in SSBG funds on child welfare activities, a 27 percent increase from SFY 1996. This amount includes transferred TANF funds. When the TANF transfer is removed, approximately \$16 million in pure SSBG funds were spent on child welfare activities in SFY 2002, relatively no change from SFY 1996 (less than one percent decline). Spending from pure SSBG funds rose \$5 million between SFY 2000 and SFY 2002, possibly to adjust for the decline in transferred TANF funds.<sup>15</sup>

Minnesota spent \$69 million in Medicaid funds for child welfare clients in SFY 2002, 51 percent more than in SFY 1996. In our survey, Minnesota has historically categorized all Medicaid spending as other services. While Medicaid spending was 30 percent of federal spending, it was 61 percent of all federal

spending on other services. The increases in Medicaid spending are the result of targeted case management claims, as noted above.

***Shifts in uses of federal funds.*** There were several shifts in the shares of federal funds used for other services. Medicaid funds accounted for 61 percent of the federal spending in SFY 2002 on other services, other federal funds for 22 percent, SSBG for 10 percent, TANF for 4 percent, title IV-B subpart 2 for 3 percent, and title IV-B subpart 1 for 1 percent. In SFY 1998, 40 percent of federal spending on other services was from Medicaid, 28 percent was from other federal funds, 15 percent was from TANF, 15 percent was from SSBG, and 3 percent was from title IV-B. Medicaid spending more than doubled, title IV-B increased 47 percent, other federal funds increased 15 percent, SSBG increased 2 percent, and TANF declined 64 percent. Even while spending on other services from some federal funding streams increased, their shares declined because of the large increase in Medicaid spending.

### **State Child Welfare Spending**

Minnesota spent \$134 million in state funds in SFY 2002, more than triple what was spent in SFY 1996. The majority of this increase occurred between SFY 1996 and 1998, when state spending doubled. When examining the increase between SFY 1998 and 2002, increases in spending on other services and out-of-home placements account for the change. Some of this increase may be because children with more severe needs were coming into foster care (Tout et al. 2001). Administrators pointed to the decline in the federal reimbursement rate for some expenditures, requiring an increase in state funds for the administration and support services provided to meet the needs of the foster care caseload. In Minnesota, state funds are not used to cover room

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and board, but are used to cover some of the costs of administration and support services for children in out-of-home placements. Moreover, a statewide initiative to increase permanency for children in foster care resulted in more state spending for adoptions.

Of the \$134 million in state funds, \$61 million was spent on children in out-of-home placements, representing 21 percent of total spending on out-of-home placements. Of this \$61 million, \$17 million was spent on support services and \$44 million was spent on administration for children in out-of-home placements.

Minnesota spent \$21 million in state funds on adoptions (50 percent of total spending on adoptions). This is more than double what was spent in SFY 1998 in state funds for adoptions. Two million dollars were spent on administration, representing 18 percent of total spending on administration, and \$50 million was spent on other services including facilitative and remedial services, representing 18 percent of total spending on other services. State spending on other services increased by almost \$20 million, or 65 percent, from SFY 1998.

### Local Child Welfare Spending

In SFY 2002, Minnesota spent \$261 million in local funds on child welfare activities. This is a 30 percent increase from SFY 1996 and can be attributed to more spending on out-of-home placements and other services. As mentioned above, there was a slight decline in the foster care penetration rate between SFY 2000 and 2002, from 66.6 percent to 63 percent. As well, the federal reimbursement rate for foster care maintenance payments in Minnesota declined from 53.93 percent to 50 percent between FFY 1996 and 2002. Since local funds only are used to match federal spending on room and board, the declining federal reimbursement rate and

the decline in the penetration rate seemed to be the causes for most of the increase in local out-of-home placement spending.

The increase in spending on other services is seemingly attributed to the required match for the increased Medicaid spending noted above. While it appears the state and local governments share the costs of these other services, the local share of most costs has been significantly larger. Moreover, local funds likely cover services that are not or cannot be reimbursed by the federal government.

Fifty-five percent of local funds (\$145 million) were spent on children in out-of-home placements, representing 50 percent of all spending on children in out-of-home placements. Of this \$145 million, \$22 million was spent on support services and \$124 million was spent on room and board.<sup>16</sup> Forty-three percent of all local spending (\$112 million) was for other services, representing 41 percent of all spending on other services. The other services included assessments, support services, remedial services, and prevention services. Only 1 percent of local funds (\$3 million) was used for adoptions, representing 7 percent of all spending on adoptions. Local spending on administration was unavailable.

### Discussion

Spending on child welfare activities in Minnesota increased significantly between SFY 1996 and 2002. Unlike most states, Minnesota relies on localities to contribute a significant share to the child welfare system, including providing 100 percent of the nonfederal match for title IV-E reimbursed maintenance payments. With the declining federal reimbursement rate for some federal expenditures and the decreasing share of children in out-of-home placements that are eligible for a



title IV-E reimbursed payment, more pressure was placed on the localities. However, state spending tripled in this period, apparently in part as a response to the increasing needs of children in foster care. State spending also increased, in part owing to a shift in funding from the localities, which are responsible for covering foster care placements, to the state as more children moved into permanent placements, which are state funded. These placements include adoption assistance and subsidized guardianship. This rise in state spending increased the state share of total spending.

In this same time period, Minnesota made a concerted effort to find permanent placements for children in care. A continuing increase in the number of children adopted from foster care led to a growth in adoption spending. Most of this spending was from state funds, which is also affected by the declining federal reimbursement rate for certain expenditures.

## ENDNOTES

1. According to the state, this discrepancy is related to an error in AFCARS record selection that resulted in some discharges not being reported accurately.
2. The increase in institutional placements is related to Minnesota's use of shelter care facilities for short-term emergency placements of children.
3. Minnesota did not perform better than the national standard on this outcome.
4. Percent changes and dollar amounts are adjusted for inflation and presented in real 2002 dollars. Some numbers may not total due to rounding.
5. Nationally, 51 percent was from federal funds, 37 percent from state funds, and 12 percent from local funds.
6. States are requested to categorize spending on payments, administration, and support services associated with children in out-of-home

or adoptive placements in the out-of-home placements or adoption categories. Support services refers to those activities aside from payment to assist with care meant to improve the child's well-being (e.g., mental health services, tutoring) and maintain the child's safety (e.g., child care).

7. Owing to changes in the survey design, spending by use reported for SFY 1996 cannot be compared with later years.
8. Changes in spending on administration cannot be determined because of missing state and local data.
9. Minnesota was unable to provide SSI and Survivor's Benefit data for SFYs 1998, 2000, and 2002.
10. For some title IV-E and Medicaid expenditures, the federal government reimburses states at different rates. Known as the FMAP (federal medical assistance percentage), it can range from no less than 50 percent to no more than 83 percent depending upon the state's per capita income. In FFY 2002, it ranged from 50 to 76 percent. For Minnesota, this rate declined from 53.93 percent in FFY 1996 to 50 percent in FFY 2002.
11. Often referred to as the penetration rate, it has been declining nationally due to the look-back date for determining title IV-E eligibility (as discussed in the title IV-E section of the full report above). These data were not collected for SFY 1996 or 1998.
12. This is the first time these data were collected through the Urban Institute survey.
13. The data originally reported in our survey included only the amount that went to the counties. The state provided this statement when reviewing this case study. "In addition to the \$1.3 million to counties, Minnesota spent: \$884,000 on grant contracts with nonprofits; \$58,000 with Tribes; and, \$266,000 on state administration. The total spending for SFY 2002 was just over \$2.5 million."
14. These data were not collected for SFY 1998.
15. In SFY 2000, \$22 million in SSBG funds were spent including transferred TANF funds; when the transfer is excluded, approximately \$11 million in pure SSBG funds were spent.
16. It appears that spending on administration associated with children in out-of-home placements was included in spending on room and board.



## Background

**Child welfare administrative structure.** Child welfare activities in South Carolina are state-administered and provided through the county offices of the South Carolina Department of Social Services, an umbrella agency that includes child care, child welfare, domestic violence, protective services (adult and child), economic security (i.e., TANF and Food Stamps), and child support enforcement.

**Foster care and adoption statistics.** In 2001, 4,774 children were in foster care in South Carolina, a minimal increase from 1998. Slightly more children continued to enter foster care than exit foster care during this same period (U.S. Department of Health and Human Services [U.S. DHHS] 2004). In 2001, 62 percent of the children in foster care were in non-relative foster care, an increase from 1998 when 50 percent were in non-relative foster care. However, the percent of children in institutions increased from 2 to 17 percent in the same period, while the percent in group homes declined from 38 to 5 percent<sup>1</sup> (U.S. House of Representatives 2000; 2004). The percent of children in other placement settings, including relative care, remained relatively the same during this time period. Of the 3,107 children that exited care in 2001, 384 were adopted. This is a drop from 465 adoptions in 1998 (U.S. DHHS 2004).

South Carolina performed better than the national median on two of the seven national child welfare outcomes: reduce recurrence of child abuse and/or neglect and reduce time to reunification without increasing reentry (U.S. DHHS 2004).<sup>2</sup>

## Total Child Welfare Spending

South Carolina spent \$240 million from federal and state sources<sup>3</sup> on child welfare activities in state fiscal year (SFY) 2002, a 38 percent

increase from SFY 1996.<sup>4</sup> The increase in total spending was the result of a 64 percent (almost \$67 million) increase in federal spending. There was no change in state spending between SFY 1996 and 2002.

Total spending increased for several reasons, most notably because the costs associated with some children with severe behavior problems, which had been incurred by the governor's office, were shifted to the child welfare agency. Although these children were in child welfare custody and were included in foster care caseload counts, the worker and service expenses, which are covered by Medicaid, were not included in the child welfare agency's budget. Spending also increased because South Carolina improved its random moment time studies and undertook maximization efforts that led to retroactive claiming to title IV-E for appropriate foster care candidates and eligible children in foster care. These efforts to maximize all available revenue sources increased federal spending for allowable activities that had been covered with state funds (Carasso and Bess 2003).

In SFY 2002, federal funds accounted for 71 percent of total spending and state funds for 29 percent.<sup>5</sup> The federal share of total spending steadily increased between SFY 1996 and 2002; federal funds were 60 percent of total spending in SFY 1996. The state share has steadily declined from 40 percent in SFY 1996. The large share of federal spending in South Carolina is in part the result of the different rates at which the federal government reimburses states for some expenditures.<sup>6</sup> For South Carolina, the rate was 69.34 percent in FFY 2002. Therefore, for some spending the federal government reimbursed South Carolina at a higher rate than in most other states. South Carolina is similar to other small, poorer states in this way; the federal share of total spending is expected to be larger than the

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state share. The large federal share also reflects the increases in title IV-E and Medicaid spending noted above.

South Carolina was able to categorize all \$240 million spent in SFY 2002 by use—that is, on out-of-home placements, adoptions, administration, and other services. Sixty-seven percent (\$162 million) of total spending was on children in out-of-home placements. This includes \$95 million for support services, \$29 million for room and board, and \$38 million for administration.<sup>7</sup> Eight percent (\$20 million) of total spending was on adoptions. Four percent (\$10 million) was spent on administration and 20 percent (\$48 million) was spent on other services, such as prevention services, in-home support services, family preservation, and child care. These shares are similar to SFY 1998<sup>8</sup> except the adoption share, which declined from 12 percent. South Carolina received a \$5 million grant from the W. K. Kellogg Foundation to increase recruitment of adoptive parents and increase the number of adopted children. This grant was available between 1996 and 2000, not in 2002.

Total spending on out-of-home placements saw the largest increase in dollar terms, increasing 27 percent between SFY 1998 and 2002 from \$128 million to \$162 million. Spending on other services increased 58 percent from \$31 million to \$48 million. Spending on adoptions declined 9 percent from \$22 million to \$20 million. It is important to note, however, that even with the changes in spending, there were no significant shifts in how South Carolina used its funds, aside from spending on adoptions, which is explained above.<sup>9</sup>

### **Federal Child Welfare Spending**

South Carolina spent \$170 million in federal funds in SFY 2002 on child welfare activities.

This is a 64 percent increase from SFY 1996, with the majority of the increase coming from title IV-E and Medicaid.

The increases in federal spending appear to result from the state's successful efforts to enhance federal revenue. In addition, as part of improving its claiming, the state was able to increase the proportion of children receiving a title IV-E reimbursed maintenance payment.<sup>10</sup> The penetration rate increased because previously only half the children in foster care that should have been receiving title IV-E reimbursed payments were.<sup>11</sup> Like South Carolina, many states have undertaken efforts to ensure that all allowable claims for federal reimbursement are made, including hiring consulting firms and retraining staff on eligibility determinations. Moreover, with the flexibility of TANF, the child welfare agency was able to stave off cuts to SSBG.

In SFY 2002, expenditures from Medicaid accounted for approximately 49 percent of the total federal funds used for child welfare activities, title IV-E for 24 percent, SSBG<sup>12</sup> for 9 percent, TANF for 8 percent, title IV-B subpart 2 for 4 percent, other federal funds (Child Care Development Fund and Adoption Opportunities) and title IV-B subpart 1 for 3 percent each, and SSI and Survivor's Benefits for 1 percent. Reliance on Medicaid was greater in South Carolina than in the nation as a whole (11 percent nationally), while reliance on title IV-E was less (49 percent nationally). These shares are similar to SFY 1996, even though spending from all funding streams increased in the same period.<sup>13</sup>

Of the \$170 million in federal spending in SFY 2002, \$121 million was spent on children in out-of-home placements. Of the \$121 million, approximately \$74 million was spent on support services, \$13 million was spent on room and board, and \$34 million was spent on administration. Federal spending on children in

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out-of-home placements increased 59 percent between SFY 1998 and SFY 2002, increasing the federal share of total out-of-home placement spending from 60 percent to 75 percent. Increases in Medicaid and title IV-E foster care administration and training noted above explain this change.

South Carolina spent \$14 million in federal dollars on adoptions, representing 70 percent of total adoption spending in SFY 2002 and an 18 percent increase from SFY 1998. Federal funds were 54 percent of total adoption spending in SFY 1998. An increase in the state's adoption penetration rate (shifting some adoption costs to the federal government) and the time-limited grant to increase adoptive placements, which would have been accounted for in state spending, explain the increase in federal spending and the federal share for adoptions.

Just over \$3 million was spent on administration in SFY 2002, relatively no change from SFY 1998. Federal funds were 31 percent of all administration spending in SFY 2002. The \$32 million spent on other services is a 76 percent increase from SFY 1998. Sixty-seven percent of all spending on other services in SFY 2002 was from federal sources, up from 60 percent in SFY 1998.

***Dedicated federal funds.*** In SFY 2002, South Carolina spent \$41 million in title IV-E funds, an 87 percent or \$19 million increase from SFY 1996. This increase was caused by an almost doubling of the Foster Care Program, from \$17 million to \$32 million. The majority of this growth was the result of a tripling of foster care administration and training spending. Foster care administration increased from \$5 million to \$16 million<sup>14</sup> and training increased from \$2 million to \$8.5 million. The increases were the result of improved random moment time studies, retroactive claiming for appropriate candidates for foster

care and children in foster care, and the shift from the governor's office to the child welfare agency in claiming title IV-E administration for certain workers, as noted earlier.

At the same time, South Carolina saw a 5 percent decline in its foster care maintenance spending, from \$7.9 million in SFY 1996 to \$7.6 million in SFY 2002. Approximately 62 percent of children in out-of-home placements were receiving a title IV-E reimbursed foster care maintenance payment in SFY 2002, up from 54 percent in SFY 2000. According to the state, maintenance payments declined even while the penetration rate and the foster care caseload increased because board payments were reduced in 2002 as part of budget reductions.

Title IV-E spending on the Adoption Assistance Program increased 68 percent between SFY 1996 and 2002, from \$4.5 million to \$7.6 million. The majority of this increase was from a tripling of adoption subsidy payments, from \$2.5 million to \$7.3 million. In SFY 2002, approximately 69 percent of children in adoptive placements were receiving a title IV-E reimbursed subsidy.<sup>15</sup> The state's adoption penetration rate was increasing, explaining the increase in subsidy payments. It is currently 71.6 percent.<sup>16</sup>

South Carolina spent \$1.2 million in Chafee funds in SFY 2002, more than double what was spent in SFY 1996 and slightly more than its FFY 2002 allocation of \$1.1 million. In SFY 2002, South Carolina spent most, if not all, of its allocations from title IV-B.

***Nondedicated federal funds.*** In SFY 2002, South Carolina spent \$13 million in TANF funds on child welfare activities, not including funds transferred to SSBG. This is a 15 percent increase from SFY 1996. Spending from TANF has fluctuated each year between SFY 1996 and 2002. When TANF funds transferred to SSBG are included, South Carolina

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spent \$23 million in TANF funds in SFY 2002, double what was spent in SFY 1996. The amount of TANF funds transferred to SSBG increased from \$7.2 million in SFY 2000 to \$10 million in SFY 2002.<sup>17</sup> The increases in TANF were to maintain services and to offset cuts in SSBG. TANF funds transferred to SSBG were used for some of the administrative expenses associated with children in out-of-home placements.

South Carolina spent just over \$15 million in SSBG funds on child welfare activities in SFY 2002, a 19 percent increase from SFY 1996. This amount includes transferred TANF funds. When the TANF transfer is removed, approximately \$5 million in pure SSBG funds was spent on child welfare activities in SFY 2002. This is a 58 percent decline in pure SSBG spending from SFY 1996. Spending from pure SSBG funds declined from \$11.6 million in SFY 2000 to \$5.3 million in SFY 2002 because the state chose to take the federal reductions in SSBG out of the child welfare agency's budget.

South Carolina spent \$84 million in Medicaid funds for child welfare clients in SFY 2002, 62 percent more than in SFY 1996. Almost all of this increase is from the rise in out-of-home placement spending as noted above.

### State Child Welfare Spending

South Carolina spent \$70 million in state funds in SFY 2002, the same as in SFY 1996. There were minor increases in state spending between SFY 1996 and 2000, but, according to state administrators, budget shortfalls in SFY 2002 resulted in cuts in state funds.

Of the \$70 million, \$41 million was spent on children in out-of-home placements, representing 25 percent of total spending on out-of-home placements. This is a 20 percent

decline in state spending since SFY 1998, in part because of the corrections in federal claims for allowable children and activities that were erroneously covered with state funds. Of the \$41 million, \$20 million was spent on support services, \$16 million was spent on room and board, and \$4 million was spent on administration.

South Carolina spent \$6 million in state funds on adoptions, representing 30 percent of total spending on adoptions. This is a 41 percent decline from SFY 1998 when state funds represented 46 percent of total spending on adoptions. As noted above, this decline results from the discontinuance of a one-time grant to increase the number of adoptive placements. Seven million dollars was spent on administration in SFY 2002, 69 percent of total spending. It is not clear how this has changed since SFY 1998 because of incomplete data. Thirty-three percent (\$16 million) of total spending on other services was from state funds, a 34 percent increase from SFY 1998. Other services provided with state funds included in-home, preventive, and child protective services.

### Discussion

Spending on child welfare activities in South Carolina increased at a similar rate as the nation between SFY 1996 and 2002. This increase was predominantly seen in increases in federal funds. During the 1990s, the state undertook substantial efforts to improve its federal claiming for allowable activities and, in some instances, provide additional services for children in out-of-home placements. These successful efforts led to an increase in the federal share of total spending, reducing reliance on state general revenue.

Like South Carolina, many states have increased their claims from certain federal



funding streams by improving the eligibility determination process and more accurately documenting eligible clients. In other cases, states have requested and received federal approval of changes to their state plans or their cost allocation plans in order to claim reimbursement for allowable activities under certain federal funding streams. Once these changes are approved, states must ensure the appropriate documentation is maintained to avoid disallowances. Some states have not undertaken these types of maximization efforts because of a reluctance to change the state's plan or an inability to receive federal approval for a change in the state's plan. As well, the administrative burden to appropriately document the eligible clients and services to be claimed may be too cumbersome for some states' information systems.

Overall, South Carolina's spending priorities appear to have remained the same between SFY 1998 and 2002. Shares of total spending on out-of-home placements, administration and other services remained the same, even while spending on each of these activities increased. Total spending on adoption declined because of a time-limited grant.

Administrators reported that state funding for child welfare activities has continued to be cut since 2002, and the state has shifted some costs (emergency shelters) to localities. In addition, the child welfare agency continues to receive TANF funds, which are used to maintain the current level of services and prevent cuts.

## ENDNOTES

1. This does not reflect a true change, but a change in categorization. The child care licensing unit in South Carolina redefined "institutions" to include settings with 12 or more

children. Therefore, many settings that were formerly considered "group homes" are now considered institutions.

2. South Carolina performed better than the national standard on reducing the incidence of maltreatment in foster care, but was slightly higher than the national median.
3. Spending from local funds was unavailable.
4. Percent changes and dollar amounts are adjusted for inflation and presented in real 2002 dollars. Some numbers may not total correctly because of rounding.
5. Nationally, 51 percent was from federal funds, 37 percent from state funds, and 12 percent from local funds.
6. For some title IV-E and Medicaid expenditures, the federal government reimburses states at different rates. Known as the FMAP (federal medical assistance percentage), it can range from no less than 50 percent to no more than 83 percent depending upon the state's per capita income. In federal fiscal year (FFY) 2002, it ranged from 50 to 76 percent. South Carolina's rate has declined minimally each year from 70.77 percent in FFY 1996.
7. States are requested to categorize spending on payments, administration, and support services associated with children in out-of-home or adoptive placements in the out-of-home placements or adoption categories. Support services refers to those activities aside from payment to assist with care meant to improve the child's well-being (e.g., mental health services, tutoring) and maintain the child's safety (e.g., child care).
8. Owing to changes in the survey design, spending by use reported for SFY 1996 cannot be compared with later years.
9. Changes in spending on administration cannot be determined because of incomplete state data from SFY 1998.
10. Often referred to as the penetration rate, it has been declining nationally owing to the look-back date for determining title IV-E eligibility (as discussed in the title IV-E section of the report).
11. The child welfare agency determined that for some children, the Medicaid agency was not correctly coding the reason for a child's eligibility—children in foster care receiving a title IV-B reimbursed payment are categorically eligible for Medicaid because they are foster children. This coding error led to the child welfare agency spending more in state dollars to

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- reimburse providers for their expenses associated with these children. Providers would send one bill to the Medicaid agency for reimbursement of treatment and room and board expenses. The Medicaid agency in turn would be reimbursed by the child welfare agency for the room and board and state match costs. Because these children were not coded as foster children in the Medicaid information system, the Medicaid agency charged to state dollars for their reimbursement, even though these children were title IV-E-eligible.
12. SSBG includes transferred TANF funds. When the transfer is removed, pure SSBG spending represented 3 percent of federal spending and TANF spending was 13 percent.
  13. SSI data were not collected for SFY 1996, and Survivor's Benefits data were not collected for SFY 1996 and 1998.
  14. South Carolina included SACWIS and adoption administration spending in foster care administration. However, based on historical spending, these probably account for no more than \$4 million. Therefore, foster care administration spending still saw a substantial increase.
  15. This is the first time these data were collected through the Urban Institute survey.
  16. Phone communication with Marcus Mann, Assistant Director of the Division of Human Services within the Department of Social Services on November 3, 2004.
  17. These data were not collected for SFY 1998.



## Background

**Child welfare administrative structure.** Child welfare activities in Texas are state-administered and provided through the Texas Department of Family and Protective Services (formerly known as the Department of Protective and Regulatory Services), under the umbrella of the Health and Human Services Commission. The Department is responsible for child welfare, protective services (adult and child), and licensing day care homes and centers.

**Foster care and adoption statistics.** In 2001, 19,739 children were in foster care in Texas, up from 15,182 children in 1998. A growing number of children exited foster care, but more children entered than exited foster care during this same period (U.S. Department of Health and Human Services [U.S. DHHS] 2004). The percent of children in pre-adoptive homes declined from 14 percent in 1998 to 4 percent in 2001, and the percent of children in group homes increased from 5 to 9 percent. The percent of children in various other placement settings remained relatively the same (U.S. House of Representatives 2000; 2004). Of the 8,858 children that exited care in 2001, 2,318 were adopted. This is an increase from 1,602 adoptions in 1998 (U.S. DHHS 2004).

Texas performed better than the national median on four of the seven national child welfare outcomes: reduce recurrence of child abuse and/or neglect, reduce incidence of maltreatment in foster care, reduce time in foster care to adoption, and reduce placements of young children in group homes and institutions (U.S. DHHS 2004).

## Total Child Welfare Spending

Texas spent \$825 million from federal, state, and local sources on child welfare activities in state fiscal year (SFY) 2002, a 57 percent

increase from SFY 1996.<sup>1</sup> The increase comes from an almost doubling (95 percent increase) of federal spending. Local spending doubled, but it only represents 1 percent of total spending, so this increase did not significantly affect the total. State spending also increased during this time period, but at a much slower rate.

The majority of the increase in total spending resulted from an increased appropriation of TANF funds to the child welfare agency in response to a petition to the governor and state legislature written by a state district court judge. The petition asserted that the child welfare agency lacked adequate resources to effectively assess and maintain the safety of children at risk of abuse or neglect or substantiated as abused or neglected (Capps et al. 2001). To address the rising foster care and adoption caseloads, which also led to the increase in total spending, the state hired additional caseworkers.

In SFY 2002, federal funds accounted for 65 percent of total spending, state funds for 33 percent, and local funds for 1 percent.<sup>2</sup> This mix of resources is similar to many states that do not require a local match for child welfare activities. The federal share of total spending steadily increased between SFY 1996 and 2002; federal funds were 53 percent of total spending in SFY 1996. The state share steadily declined from 47 percent in SFY 1996. The large federal share reflects the state's direct use of TANF funds for child welfare activities as well as the increase in title IV-E spending related to the growing foster care and adoption caseloads.

Texas was able to categorize all but \$256,000 of the \$825 million spent in SFY 2002 by use—that is, on out-of-home placements, adoptions, administration, and other services. In SFY 2002, \$444 million was spent on children in out-of-home placements. This includes \$101 million for support services, \$284 million

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for room and board, and \$58 million for administration.<sup>3</sup> Texas spent \$104 million on adoptions, \$65 million on administration, and \$212 million on other services (such as prevention, reunification, and family support and preservation).

Total spending on out-of-home placements saw the largest increase in dollar terms, increasing 46 percent between SFY 1998 and 2002 from \$304 million to \$444 million.<sup>4</sup> As noted, the increase in the foster care caseload and the added front-line staff explain this growth. Spending on other services more than doubled from \$96 million to \$212 million, mainly reflected in increases in state funds, title IV-B, and TANF. Spending on adoptions increased 86 percent from \$56 million to \$104 million, due to the increasing adoption caseload. Administration spending increased 6 percent, from \$62 million to \$65 million.<sup>5</sup>

### Federal Child Welfare Spending

Texas spent \$540 million in federal funds in SFY 2002 on child welfare activities. This is a 95 percent increase from SFY 1996, with the majority of the increase coming from TANF funds.

The increase in TANF funds shifted the reliance on federal funds from title IV-E to TANF between SFY 1996 and 2002. In SFY 2002, expenditures from TANF accounted for approximately 41 percent of the total federal funds, title IV-E for 30 percent, Medicaid for 13 percent, title IV-B subpart 2 for 7 percent, title IV-B subpart 1 for 4 percent, other federal funds (e.g., Child Care Development Fund and Child Abuse and Neglect grants) for 3 percent, SSBG for 1 percent, and SSI and Survivor's Benefits for 1 percent. Reliance on TANF was greater in Texas than in the nation as a whole (20 percent nationally), while a much smaller percentage came from title IV-E and SSBG compared to the nation (49 percent, and

12 percent nationally). In SFY 1996, title IV-E accounted for 37 percent of all federal spending, SSBG for 19 percent, title IV-A Emergency Assistance (the predecessor to TANF) for 15 percent, Medicaid for 13 percent, title IV-B subpart 1 for 9 percent, title IV-B subpart 2 for 5 percent, and other federal funds for 1 percent.<sup>6</sup>

Of the \$540 million in federal spending in SFY 2002, \$303 million was spent on children in out-of-home placements. Of this, approximately \$100 million was spent on support services, \$172 million was spent on foster care daily rates, and \$32 million was spent on administration. Federal spending on children in out-of-home placements doubled between SFY 1998 and 2002, increasing the federal share of total out-of-home placement spending from 48 percent to 68 percent.<sup>7</sup> The costs of caring for the rising foster care caseload, as seen in the TANF and title IV-E increases, explain this growth in federal out-of-home placement spending.

Texas spent \$55 million in federal dollars on adoptions, an 81 percent increase from SFY 1998, representing 53 percent of total adoption spending in SFY 2002.<sup>8</sup> The increase in adoption spending was caused by the growing adoption caseload and is seen in the increases in the title IV-E Adoption Assistance Program.

Texas spent \$44 million in federal funds on administration in SFY 2002, more than double what was spent in SFY 1998. This increase is related to a change in reporting to our survey. Federal funds were 68 percent of all administration spending in SFY 2002, up from 28 percent in SFY 1998.<sup>9</sup>

The \$138 million spent on other services is a 73 percent increase from SFY 1998. This increase is predominantly coming from a \$49 million increase in TANF spending for other services. Sixty-five percent of all spending on other services in SFY 2002 was from federal sources, down from 83 percent in SFY

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1998.<sup>10</sup> The federal share declined even while spending increased due to shifts between SSBG and state general revenue.

**Dedicated federal funds.** In SFY 2002, Texas spent \$161 million dollars in title IV-E funds, 55 percent more than in SFY 1996. This growth came from increases in both the Foster Care and Adoption Assistance programs.

The Foster Care Program increased 35 percent, from \$83 million to \$113 million. The growth was the result of a more than doubling of administration spending from \$9.9 million to \$25 million, and a 37 percent increase in maintenance payments from \$59 million to \$81 million. The state reported that the increase in maintenance payments was because of the rising foster care caseload, mostly children placed in more expensive residential facilities. Administration increased because of the rising foster care caseload and the hiring of additional caseworkers to address this growth.<sup>11</sup>

In Texas, 58.67 percent of children in out-of-home placements were receiving a title IV-E reimbursed foster care maintenance payment in SFY 2002.<sup>12</sup> This is a minor decline from 59.78 percent in SFY 2000. It is interesting to note, however, that while title IV-E maintenance payments increased substantially, almost as much (\$78 million) in TANF funds was spent on foster care daily rates. This reliance on TANF may be because the penetration rate has been declining for some time, but data are not available to confirm this. In addition, the federal reimbursement rate for title IV-E maintenance payments has declined from 62.3 percent in 1996 to 60.17 percent in 2002.<sup>13</sup> So, while the foster care caseload increased, the federal government's share for those title IV-E-eligible children declined.

Spending on the Adoption Assistance Program more than doubled, increasing from \$18 million to \$43 million. Most of this increase was due to a rise in adoption subsidy

spending from \$15 million to \$38 million related to the increasing adoptions. In SFY 2002, approximately 75 percent of children in adoptive placements were receiving a title IV-E reimbursed subsidy.<sup>14</sup>

Texas spent \$4.7 million in Chafee funds in SFY 2002, almost three times what was spent in SFY 1996, and slightly more than its FFY 2002 allocation of \$4.5 million. In SFY 2002, Texas spent most, if not all, of its allocations from title IV-B.

**Nondedicated federal funds.** In SFY 2002, Texas spent \$220 million in TANF funds on child welfare activities. This is more than five times what was spent in SFY 1996. Spending from TANF has increased each year between SFY 1996 and 2002, with the majority of the increase occurring between SFY 1998 and 2000. This increase was in response to a petition to the governor and state legislature written by a state district court judge (Capps et al. 2001). In addition, this increase results from the use of TANF funds for foster care payments and supportive services.<sup>15</sup>

The use of TANF funds for foster care payments is allowed if it was in the state's Emergency Assistance plan. States have an incentive to use TANF instead of state general revenue or other capped federal funds because there is no required match and the state's TANF allocation is significantly larger than its title IV-B allocation. Texas is similar in this way to several states that are using TANF for foster care payments where allowable. (For more information, see the TANF discussion in the full report.)

Texas spent \$7.8 million in SSBG funds on child welfare activities in SFY 2002, an 85 percent drop from SFY 1996. Spending from SSBG funds declined from \$53 million in SFY 1996, but increased from \$4.8 million in SFY 2000. The state cut SSBG use for child welfare staff because of continued cuts in the

appropriation during the 1990s and chose to use SSBG funds for adult protective services rather than child welfare activities. By doing so, Texas relied less on SSBG funds for child welfare activities in order to maximize the use of title IV-B funds. No TANF funds were transferred to SSBG and used for child welfare activities in SFY 2000 or 2002.

In SFY 2002, Texas spent \$70 million in Medicaid funds for child welfare clients, 94 percent more than in SFY 1996. The increase is the result of Medicaid claims for targeted case management. Texas had a targeted case management state plan amendment, which targets all children at risk of abuse or neglect (not just foster children), before 1996. The increased use of Medicaid funds is because of staff increases and related overhead expenditures, as well as an increased number of interactions between staff and Medicaid-eligible clients or staff interactions on behalf of these Medicaid-eligible clients.

**Shifts in uses of federal funds.** In SFY 2002, 47 percent of federal spending on out-of-home placements<sup>16</sup> was from TANF, 39 percent was from title IV-E, 9 percent was from Medicaid, 2 percent was from SSI/Survivor's Benefits and title IV-B subpart 1 each, and less than 1 percent was from title IV-B subpart 2, other federal funds, and SSBG each. In SFY 1998, 50 percent of federal spending on out-of-home placements was from title IV-E, 27 percent was from TANF, 10 percent was from Medicaid, 6 percent was from title IV-B,<sup>17</sup> 5 percent was from SSI, and 3 percent was from SSBG.<sup>18</sup>

Federal spending on adoptions in SFY 2002 was made up of 79 percent title IV-E funds, 8 percent title IV-B subpart 2, 6 percent TANF, 4 percent Medicaid, and 2 percent other federal funds. In SFY 1998, title IV-E was 80 percent of federal spending on adoptions, SSBG was 11 percent, TANF was 4 per-

cent, Medicaid was 4 percent, and other federal funds were less than 1 percent.<sup>19</sup>

In SFY 2002, 46 percent of federal spending on administration was from TANF, 25 percent was from Medicaid, 17 percent was from SSBG, 7 percent was from title IV-B subpart 2, and 4 percent was from title IV-B subpart 1.<sup>20</sup> In SFY 1998, 42 percent was from SSBG, 27 percent from TANF, 23 percent from Medicaid, and 8 percent from title IV-B.<sup>21</sup>

Thirty-nine percent of federal spending on other services in SFY 2002 was from TANF, 22 percent was from Medicaid, 20 percent was from title IV-B subpart 2, 11 percent was from title IV-B subpart 1, 9 percent was from other federal funds, and less than 1 percent was from SSBG. In SFY 1998, 41 percent of federal spending on other services was from title IV-B, 20 percent was from Medicaid, 18 percent was from SSBG, 17 percent was from TANF, and 5 percent was from other federal funds.<sup>22</sup>

## State Child Welfare Spending

Texas spent \$276 million in state funds in SFY 2002, a 13 percent increase from SFY 1996. The majority of this increase occurred between SFY 2000 and 2002, and, according to the state, resulted from the rising foster care and adoption caseloads.

Of the \$276 million, \$135 million was spent on children in out-of-home placements, representing 31 percent of total spending on out-of-home placements. This is a 12 percent decline from SFY 1998, but an 11 percent increase from SFY 2000. This decrease from SFY 1998 is likely because of the state's increased use of TANF, reducing the use of state funds. Of the \$135 million, \$2 million was spent on support services, \$111 million was spent on foster care daily rates, and \$22 million was spent on administration.

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Texas spent \$49 million in state funds on adoptions, representing 47 percent of total spending on adoptions. This is a 92 percent increase from SFY 1998 (and a 38 percent increase from SFY 2000) resulting from the increasing adoption caseload. Twenty-one million dollars was spent on administration in SFY 2002, 32 percent of total spending on administration. This is a 52 percent decline since SFY 1998 and a 44 percent increase from SFY 2000. Thirty-three percent (\$70 million) of total spending on other services was from state funds, more than four times what was spent in SFY 1998. The increase occurred between SFY 1998 and 2000. Other services were staff-delivered and contracted in-home services, such as at-risk, prevention, reunification, early intervention, and family preservation and support services.

### Local Child Welfare Spending

In SFY 2002, Texas spent at least \$8.9 million in local funds on child welfare activities.<sup>23</sup> This is more than double what was spent in SFY 1996 and can be attributed to more spending on out-of-home placements and other services. The majority of this increase occurred between SFY 2000 and 2002, when local spending increased 55 percent from \$5.8 million to \$8.9 million. This resulted primarily from an increase in the participation of counties in a pass-through reimbursement program for title IV-E funds, allowing participating counties to receive reimbursement for incidental costs for foster care children. In addition, there was increased participation by counties in the nonfederal share of expenses for caseworkers.

Sixty percent of local funds (\$5.3 million) were spent on staff costs associated with serving children in out-of-home placements and reimbursements for incidental expenditures for foster care children borne by the county,

representing 1 percent of all spending on children in out-of-home placements. Of this \$5.3 million, \$1 million was spent on room and board and/or support services and \$4.3 million was spent on administration. Thirty-eight percent of all local spending (\$3.4 million) was for other services, representing 2 percent of all spending on other services. The other services included staff delivered prevention, family support, and early intervention services. Only 2 percent of local funds (\$174,000) were used for adoptions, representing less than 1 percent of all spending on adoptions. Local funds were not spent on administration separate from administrative spending associated with children in out-of-home placements.

### Discussion

Spending on child welfare activities in Texas increased significantly between SFY 1996 and 2002. This increase was meant to address the rising foster care and adoption caseloads. A petition from state district court Judge F. Scott McCown noted that the state did not have adequate resources to meet these needs and recommended that the governor and state legislature appropriate additional funds to the Department. In response, the state legislature appropriated additional TANF funds for child welfare activities. In this way, Texas is similar to many other states that saw increases in spending in response to critical reports written by special panels, commissions, or task forces.

With the increase in TANF funds, the proportion of total spending coming from the federal government increased. As well, the proportion of federal spending that comes from title IV-E declined as the state began to use more TANF funds to cover the costs of support services and foster care daily rates for children in out-of-home placements. This decision was likely because the percent of chil-



dren in out-of-home placements eligible for a title IV-E reimbursed maintenance payment declined at the same time that the federal government's reimbursement rate for these expenses was declining. At the same time, the number of children eligible for TANF-Emergency Assistance increased. Several other states have made a similar decision to use TANF funds, which are 100 percent federal, for the first year of care, thereby saving some state general revenue to be used for other purposes, including child welfare activities.

A recent special report by the Texas State Comptroller (Strayhorn 2004) highlighted the state's underutilization of title IV-E and Medicaid and made several recommendations for changes to the mixture of funding streams used for child welfare activities. Some of the recommendations included that the Department of Family and Protective Services and the Health and Human Services Commission consider changing the state's Medicaid plan and submitting an application to the U.S. Department of Health and Human Services for a waiver to certain title IV-E regulations. If any of the comptroller's recommendations are followed, the child welfare financing picture in Texas will continue to change.

## ENDNOTES

1. Percent changes and dollar amounts are adjusted for inflation and presented in real 2002 dollars. Some numbers may not total correctly because of rounding.
2. Nationally, 51 percent was from federal funds, 37 percent from state funds, and 12 percent from local funds.
3. States are requested to categorize spending on payments, administration, and support services associated with children in out-of-home or adoptive placements in the out-of-home placements or adoption categories. Support services refers to those activities aside from payment to assist with care meant to improve the child's well-being (e.g., mental health services, tutoring) and maintain the child's safety (e.g., child care). In Texas, "room and board" dollars reflect expenditures related to payment of the state's foster care daily rate, which includes room and board as well as other costs reimbursable to providers based on cost report data submitted by Texas foster care providers.
4. Owing to changes in the survey design, spending by use reported for SFY 1996 cannot be compared with later years. Costs associated with rent, utilities, and so on were included in out-of-home placements or adoptions in SFY 1998, but not in SFY 2000 or 2002. These were included in administration in SFY 2000 and 2002. Changes between SFY 2000 and 2002 will also be included in the endnotes because of the consistency in reporting. Total spending on children in out-of-home placements increased 25 percent (\$89 million) between SFY 2000 and SFY 2002.
5. Between SFY 2000 and 2002, total spending on adoptions increased 31 percent, up from \$79 million; spending on administration increased 18 percent, up from \$56 million; and, spending on other services increased 15 percent, up from \$184 million. Even with the changes in reporting noted above, there were significant increases.
6. SSI data were not collected for SFY 1996, and Survivor's Benefits data were not collected for SFY 1996 and 1998.
7. Federal spending on children in out-of-home placements represented 65 percent of total spending on children in out-of-home placements in SFY 2000, similar to SFY 2002 (68 percent).
8. Federal spending on adoptions increased 26 percent between SFY 2000 and 2002, up from \$43 million. Federal spending on adoptions represented 55 percent of total spending on adoptions in SFY 2000.
9. Texas spent \$41 million in federal funds for administration in SFY 2000, representing 74 percent of total spending on administration.
10. In SFY 2000, Texas spent \$111 million in federal funds on other services, representing 60 percent of total spending on other services. This increased 24 percent between SFY 2000 and 2002.
11. Spending on administration also increased because some administration costs for child-placing agencies were included with maintenance payments in prior surveys. Therefore, the



- true increase in maintenance payments is greater, while the true increase in administration is less. To what extent is unknown.
12. Often referred to as the penetration rate, it has been declining nationally due to the look-back date for determining title IV-E eligibility (as discussed in the title IV-E section of the report).
  13. For some title IV-E and Medicaid expenditures, the federal government reimburses states at different rates. Known as the FMAP (federal medical assistance percentage), it can range from no less than 50 percent to no more than 83 percent depending upon the state's per capita income. In federal fiscal year (FFY) 2002, it ranged from 50 to 76 percent.
  14. This is the first time these data were collected through the Urban Institute survey.
  15. Texas had a title IV-A Emergency Assistance program in 1994. The influx of TANF federal funds is directly attributable to the creation of the TANF block grant and the overall foster care caseload growth, which has seen increases in the number of clients eligible for TANF-Emergency Assistance. This has a ripple effect on foster care daily rate payments and associated direct delivery and administrative costs.
  16. This includes administration, support services, and room and board. Title IV-E spending categorized as out-of-home placement spending includes foster care maintenance, administration, and training, and Chafee spending; it excludes SACWIS spending.
  17. Title IV-B data for SFY 1998 were not collected by subpart.
  18. In SFY 2000, 46 percent of federal spending on out-of-home placements was from TANF, 39 percent was from title IV-E, 9 percent was from Medicaid, 3 percent was from title IV-B subpart 1 and SSI each, and less than 1 percent was from other federal funds and title IV-B subpart 2.
  19. In SFY 2000, title IV-E was 79 percent of federal spending on adoptions, title IV-B subpart 2 was 7 percent, TANF was 6 percent, Medicaid was 4 percent, and other federal funds were 4 percent.
  20. The only title IV-E spending categorized as administration is SACWIS spending, and Texas reported that zero dollars were spent. The state has not claimed SACWIS funds since 1996, according to the state.
  21. In SFY 2000, 48 percent of federal spending on administration was from TANF, 28 percent was from Medicaid, 12 percent was from

SSBG, 7 percent was from title IV-B subpart 2, and 5 percent was from title IV-B subpart 1.

22. Thirty-nine percent of federal spending on other services in SFY 2000 was from TANF, 20 percent was from Medicaid, 19 percent was from title IV-B subpart 2, 12 percent was from title IV-B subpart 1, and 11 percent was from other federal funds.
23. Local expenditures reported on the Urban Institute survey indicate only the local matching share of expenditures where counties have requested federal reimbursement. County costs for out-of-home placements incurred, but not billed for reimbursement, are not known to the state and therefore are not captured on this survey.

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# APPENDIX C: Summary of Recent Federal Proposals to Alter Child Welfare Financing

Proposal	Pew Commission	President Bush	Child Safety, Adoption, and Family Enhancement (Child SAFE) Act of 2003	Child Protective Services Improvement Act	Adoption Equality Act of 2003
Bill Number	Not introduced	Not introduced	H.R. 4856	H.R. 1534	S. 862
Introduced by	Not introduced	Not introduced	Herger	Cardin	Rockefeller
<b>Modifications to title IV-E</b>					
Adoption assistance	Remains open-ended entitlement.	Not discussed.	Remains open-ended entitlement.	Remains open-ended entitlement.	Remains open-ended entitlement.
Guardianship assistance	Makes guardianship payments eligible for open-ended federal reimbursement. <sup>a</sup>	If state chooses fixed allocation, those funds could be used for subsidized guardianship.	Not discussed. Gives states flexibility to establish separate licensing standards for relative foster homes and enhances the capacity of states to provide resources and supports for relatives.	Makes guardianship payments to certain relatives eligible for open-ended federal reimbursement. <sup>a</sup>	Not discussed.
Foster care maintenance	Remains open-ended entitlement.	Fixed allocation of funds at state option (based on state's historical expenditure level).	Total funding capped at CBO-projected levels. State's funding level based on FY2003 share of foster care maintenance payment expenditures.	Remains open-ended entitlement.	Not discussed.
Contingency fund	Not applicable.	If state chooses fixed allocation and crisis conditions are met, allows access to TANF contingency fund.	Allows states to access TANF contingency fund if crisis conditions are met.	Not applicable.	Not applicable.
IV-E eligibility	Removes income and family relationship requirements (AFDC standards) for federal foster care and adoption assistance.	If state chooses fixed allocation option, no set eligibility requirements for federal foster care. Current "child protections" would be maintained.	Removes income and family relationship requirements (AFDC standards) for federal foster care and adoption assistance.	State option of basing federal foster care and adoption assistance eligibility on state's current eligibility standards for TANF. <sup>b</sup>	Removes income and family relationship requirements (AFDC standards) for federal adoption assistance.
Level of federal reimbursement	Reduces federal per child reimbursement for both foster care and adoption assistance by 35%; provides claims adjustments to avoid state winners or losers.	For states that choose fixed allocation option, allocations to be determined in consultation with state using historical expenditure information.	Reduces federal per child reimbursement for foster care by 35% and for adoption by 15%. States may make foster care claims up to state funding cap and may make adoption assistance claims on an open-ended bases. No claims adjustments.	Not discussed.	Not discussed.
Indian tribes	Allows tribes to receive direct title IV-E funding.	\$30 million set-aside for tribes or consortia that can demonstrate capacity.	Allows tribes to receive direct title IV-E funding.	Not discussed.	Not discussed.

U.S. territories	Removes federal funding cap for social services (which include title IV-E).	Not discussed.	Removes Title IV-E from federal funding cap for social services.	Not discussed.	Not discussed.
Reinvestment of savings	Allows federal foster care “savings” to be reinvested into Safe Children, Strong Families Grant with state match.	States can keep federal foster care savings under a fixed allocation. Maintenance of effort requirement ensures states maintain their own child welfare spending.	Allows federal foster care “savings” to be reinvested into Safe Children, Strong Families Grant with state match (or saved for later year’s foster care maintenance payments).	Not discussed.	States must spend state “savings” (related to expanded federal eligibility for adoption assistance) on any child welfare service authorized by title IV-B or IV-E.
IV-E administration (foster care and adoption)	Funds rolled into Safe Children, Strong Families Grant.	If state chooses fixed allocation option, foster care–related administration included in fixed allocation.	Funds rolled into Safe Children, Strong Families Grant.	Not discussed.	Not discussed.
IV-E training (foster care and adoption)	Funds rolled into Safe Children, Strong Families Grant.	If state chooses fixed allocation option, foster care–related training included in fixed allocation of funds.	Funds rolled into Safe Children, Strong Families Grant.	Increases the payment rate for state training expenditures of certain child welfare and court personnel. <sup>c</sup>	Not discussed.
IV-E SACWIS	Remains open-ended entitlement.	If state chooses fixed allocation option, included in fixed allocation of funds.	Remains open-ended entitlement.	Not discussed.	Not discussed.
Chafee Foster Care Independence Program	Not discussed.	Not discussed.	Maintained as current law.	Not discussed.	Not discussed.
<b>Modifications to title IV-B</b>					
IV-B (Subparts 1 and 2)	Rolled into Safe Children, Strong Families Grant.	Not discussed. (For states that choose fixed allocation, IV-E funds could be used for IV-B purposes.)	Rolled into Safe Children, Strong Families Grant. Purposes of grant give explicit reference to support of relative caregivers.	Increases guaranteed funding for IV-B subpart 2 to \$505 million. Provides \$750 million over five years to increase substance abuse treatment.	Not discussed.
Safe Children, Strong Families Grant	IV-B funds rolled into grant, along with IV-E admin and training. Initial funding of about \$3.9 billion based on historical spending plus an additional \$200 million. Annual increases in the grant of 2% plus the CPI. State share based on share of the historical	Not discussed.	IV-B funds rolled into grant, along with IV-E admin and training. Initial mandatory funding of about \$3.9 billion based on historical spending plus an additional \$200 million annual increase based on CBO projected growth in program budget authority. Additional discretionary funding authorization of \$525 million	Not discussed.	(continued)

Proposal	Pew Commission	President Bush	Child Safety, Adoption, and Family Enhancement (Child SAFE) Act of 2003	Child Protective Services Improvement Act	Adoption Equality Act of 2003
	spending. Weighted adjusted average state match rate of about 32%.		annually. State share of funding based on its share of the historical spending. State match rate of 32%.		
Mentoring for children of prisoners	Not discussed.	Not discussed.	Maintained as separate from grant.	Not discussed.	Not discussed.
<b>Other provisions</b>					
Waivers	Eliminates cap on the number of waivers HHS may approve and prohibits denial of a waiver solely because it replicates demonstrations already implemented.	Not discussed.	Eliminates cap on the number of waivers HHS may approve and prohibits denial of a waiver solely because it replicates demonstrations already implemented.	Eliminates cap on the number of waivers HHS may approve and prohibits denial of a waiver solely because it replicates demonstrations already implemented.	Not discussed.
Incentives	Replaces current Adoption Incentives with a Permanence Incentive (modeled on the existing Adoption Incentive) that rewards states for achieving various permanency goals. Creates workforce performance bonus for states that achieve a certain level of competence in their child welfare workforce and recommended worker to child caseload ratios (according to standards established by expert working group).	Not discussed.	Establishes a new Challenge Grant Program and provides \$100 million in each of four fiscal years to reward states that significantly exceed a national performance standard (as established by HHS with regard to achieving safety or permanence for children). Funds not earned revert to federal treasury.	Provides \$100 million in grants for states seeking to improve working conditions of child welfare workers. Provides \$100 million a year for grants to states to implement corrective actions, and \$100 million for bonuses for states that make progress in achieving corrective actions. <sup>d</sup>	Not discussed.

*Note:* More details about the Pew recommendations can be found at <http://pewfostercare.org/>. For more information on the congressional proposals, go to <http://thomas.loc.gov>. Information on President Bush's proposal can be found in the President's FY 2004 and 2005 budgets (<http://www.whitehouse.gov/omb>).

a. Similar provisions for establishing a subsidized guardianship program are included in a bill introduced by Sen. Clinton, "Kinship Caregiver Support Act" (S. 2706). In addition, the companion bills (H.R. 936/S. 448, "Leave No Child Behind Act of 2003") introduced by Rep. Miller and Sen. Dodd include provisions for establishing a subsidized guardianship program as part of a larger child welfare financing reform proposal that would significantly expand both the kinds of services that could be reimbursed on an open-ended basis and the population of children that could be served with these funds. S. 2706 would authorize a grant program to support the development of "kinship navigator" programs.

b. Similar provisions are included in S. 367 (introduced by Sen. Rockefeller).

c. Bills introduced by Rep. Weller (H.R. 1378) and Rep. Stark (H.R. 2437, "Child Protection Services Workforce Improvement Act") contain similar provisions.

d. The bill introduced by Rep. Stark also includes a grant program to support improvement in the working conditions of child welfare workers. The bill also authorizes a demonstration loan forgiveness program to recruit and retain child welfare workers.

**A**s noted earlier, federal, state, and local government funding supports the full array of services offered by public child welfare agencies. However, the amount of funding from any one level of government varies greatly by state. This appendix highlights the state variation by providing a snapshot of child welfare spending in each state in state fiscal year (SFY) 2002.

In addition to data for SFY 2002, data for SFY 1996, 1998, and 2000 received in earlier rounds of the survey are provided. Each state's

spending is placed in context with the inclusion of data from other sources when available. This includes the child population, the number of referrals, the number of children that were subjects of an investigation, the number of children in foster care, the number of children that entered and exited foster care, and each state's performance on seven national child welfare outcome measures. The sources for and descriptions of the contextual information included for each state are at the end of this appendix. Some figures may not total 100 percent because of rounding.





**T**HERE WERE **72,894,483 children** in the United States in 2002. In that same year, an estimated 2.6 million referrals were made to child protective services agencies alleging that children were abused or neglected (35.9 referrals per 1,000 children in the population).<sup>1</sup> Just over two-thirds (67.1 percent) of these referrals were screened in. Fifty states conducted a combined 1,811,835 investigations; an estimated 3,193,000 children were subjects of an investigation or assessment.<sup>2</sup> An estimated 1,234,000 children received post-investigation services (526,000 victims and 708,000 nonvictims).<sup>3</sup>

ON SEPTEMBER 30, 2001, **542,000 children** were in foster care. Children in care were 2 percent Alaska Native/American Indian, 1 percent Asian, 38 percent black, 0 percent Native Hawaiian/other Pacific Islander, 17 percent Hispanic, 37 percent white, 2 percent two or more races, and 3 percent unknown race or ethnicity. Children were in the following settings: 4 percent in pre-adoptive homes, 24 percent in relative foster homes, 48 percent in non-relative foster homes, 8 percent in group homes, 10 percent in institutions, 1 percent in supervised independent living, 2 percent on runaway status, and 3 percent in trial home visits.<sup>4</sup> 58,159 children received independent living services. 54.66 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **290,000 children** entered foster care. Of the 263,000 children who exited foster care in 2001, 18 percent were adopted, 3 percent exited to guardianship, 57 percent were re-

unified with family, and 22 percent were discharged with another status.<sup>5</sup> 72.89 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. United States averages (and available national standards) in 2001 were:

- **Outcome measure 1.1** 8.9 percent (6.1 percent or less) of children were victims of recurring child abuse.
- **Outcome measure 2.1** 0.50 percent (0.57 percent or less) of children were maltreated while in foster care.
- **Outcome measure 3.1** 84.4 percent of children exited foster care to permanent settings (adoption, guardianship, or reunification).
- **Outcome measure 4.1** 65.7 percent (76.2 percent or more) of children were reunified with their parents or caretakers within 12 months of placement.
- **Outcome measure 5.1** 22.3 percent (32.0 percent or more) of children were adopted within 24 months of entry into foster care.
- **Outcome measure 6.1** 82.7 percent (86.7 percent or more) of children in foster care for less than 12 months had no more than two placements.
- **Outcome measure 7.1** 10.4 percent of children age 12 and under were placed in group homes or institutions.



**T**HERE WERE **1,107,108 children** in Alabama in 2002. In that same year, 19,620 referrals were made to child protective services for suspected abuse or neglect (17.7 referrals per 1,000 children in the population). 98.3 percent of these referrals were screened in and 20,544 investigations were conducted. 32,682 children were subjects of an investigation or assessment and 4,116 child victims and 1,914 child nonvictims received post-investigation services.

ON SEPTEMBER 30, 2001, **5,859 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.0 percent Asian, 51.3 percent black, 1.0 percent Hispanic, 46.7 percent white, 0.6 percent two or more races, and 0.2 percent unknown race or ethnicity.<sup>6</sup> Children were in the following settings: 3 percent in pre-adoptive homes, 13 percent in relative foster homes, 57 percent in non-relative foster homes, 4 percent in group homes, 15 percent in institutions, 0 percent in supervised independent living, 1 percent on runaway status, and 6 percent in trial home visits. 967 children received independent living services. 42 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,672 children** entered foster care. Of the 2,271 children who exited foster care in 2001, 8.0 percent were adopted, 75.0 percent were reunified with family, 9.5 percent were discharged with another status, and 7.5 percent had missing data.<sup>7</sup> 60 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Alabama included (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 83.0 percent
- 4.1 Time to reunification: 57.7 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 13.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 96.5 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 8.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	99,802,710	109,386,150	9.60	200,579,924	83.37	271,997,873	35.61
Federal	49,398,156	61,759,305	25.02	74,401,752	20.47	175,368,538	135.70
IV-E	9,927,323	14,702,055	48.10	19,482,509	32.52	31,059,893	59.42
IV-B	8,851,376	11,382,797	28.60	10,876,431	–4.45	11,609,116	6.74
EA/TANF	10,196,313	8,061,963	–20.93	9,557,799	18.55	21,295,594	122.81
SSBG	7,346,093	14,824,010	101.79	20,719,444	39.77	35,242,743	70.10
Medicaid	12,337,515	12,149,295	–1.53	12,901,459	6.19	75,492,004	485.14
State	50,025,981	47,608,452	–4.83	124,906,283	162.36	95,051,494	–23.90
Local	378,573	18,392	–95.14	1,271,890	6,815.30	1,577,841	24.05
Contracted	not requested	29,079,891		—		—	

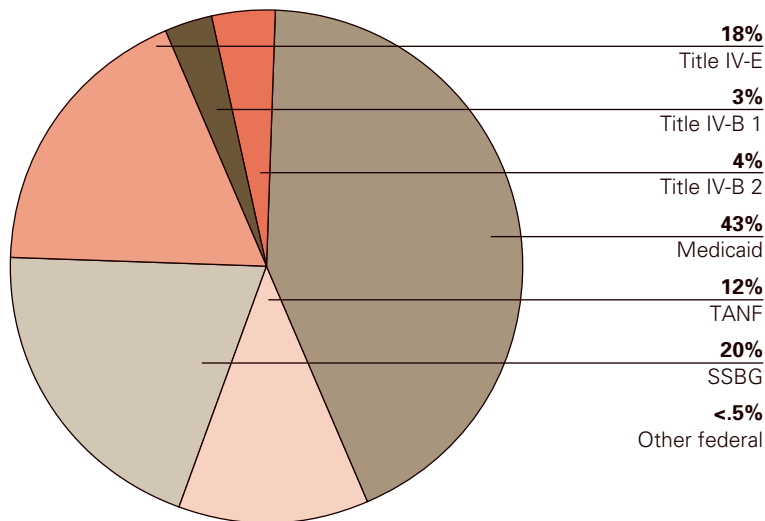
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

# Alabama

## Spending by Federal Source

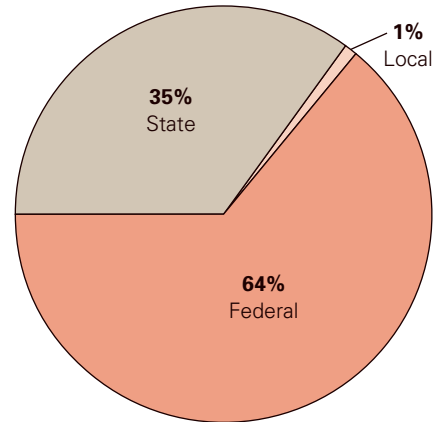
\$175,368,538



*Note:* Alabama was unable to provide SSI and Survivor's Insurance Benefit expenditures.

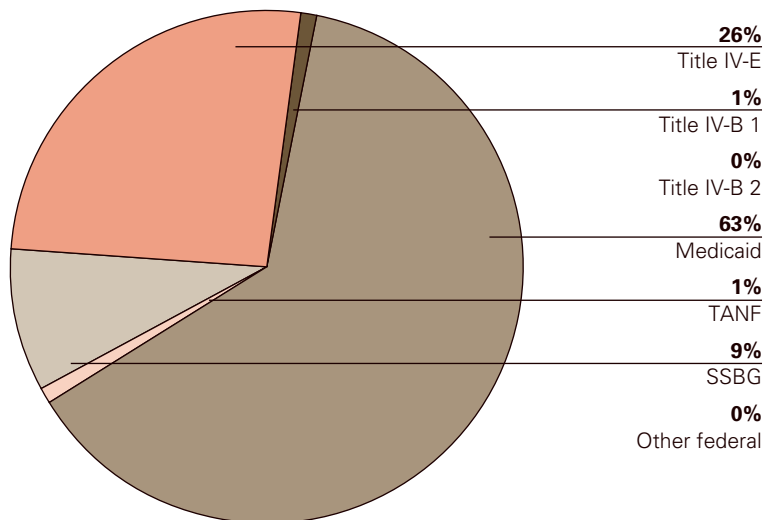
## Spending by Source

\$271,997,873



## Spending on Out-of-Home Placements by Federal Source

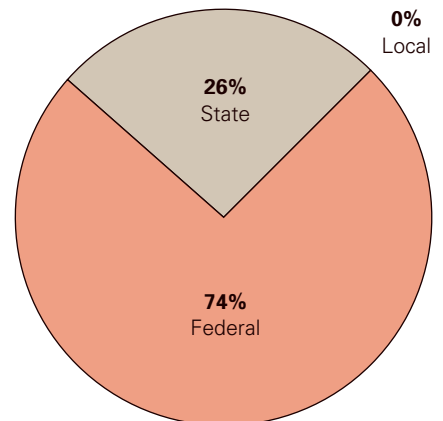
\$92,222,099



*Note:* Alabama was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending on Out-of-Home Placements by Source

\$125,245,464





**T**HERE WERE **192,428 children** in Alaska in 2002. In that same year, 13,849 referrals were made to child protective services for suspected abuse or neglect (72.0 referrals per 1,000 children in the population). 88.0 percent of these referrals were screened in and 10,002 investigations were conducted. 10,002 children were subjects of an investigation or assessment and 2,173 children received post-investigation services (2,002 victims and 171 nonvictims).

ON SEPTEMBER 30, 2001, **1,993 children** were in foster care. Children in care were 60.2 percent Alaska Native/American Indian, 0.8 percent Asian, 9.1 percent black, 1.3 percent Hispanic, 27.6 percent white, and 1.1 percent unknown race or ethnicity.<sup>8</sup> Children were in the following settings: 2 percent in pre-adoptive homes, 30 percent in relative foster homes, 43 percent in non-relative foster homes, 8 percent in group homes, 2 percent in institutions, and 15 percent in trial home visits.<sup>9</sup> 22 children received independent living services. 61 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **999 children** entered foster care. Of the 996 children who exited foster care in 2001, 25.5 percent were adopted, 6.0 percent exited to guardianship, 64.6 percent were reunified with family, 3.8 percent were discharged with another status, and 0.1 percent had missing data. 85 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Alaska include (national standards in parentheses):

- **1.1** Recurrence: not available (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 96.1 percent
- **4.1** Time to reunification: 62.4 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 20.9 percent (≥ 32.0 percent)
- **6.1** Placement stability: 75.8 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 4.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	55,805,297	25,414,779	–54.46	51,606,246	103.06	82,246,655	59.37
Federal	12,068,522	14,117,849	16.98	25,906,996	83.51	31,219,555	20.51
IV-E	9,514,382	9,281,925	–2.44	13,892,105	49.67	14,752,952	6.20
IV-B	2,554,140	1,092,458	–57.23	460,908	–57.81	1,166,500	153.09
EA/TANF	0	0	0.00	4,115,800		0	–100.00
SSBG	—	0		5,646,194		8,258,500	46.27
Medicaid	—	243,000		397,045	63.39	5,588,047	1,307.41
State	43,736,775	11,296,931	–74.17	25,699,250	127.49	51,027,100	98.55
Local		0		0	0.00	0	0.00
Contracted	not requested	9,092,735		416,287	–95.42	956,967	129.88

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

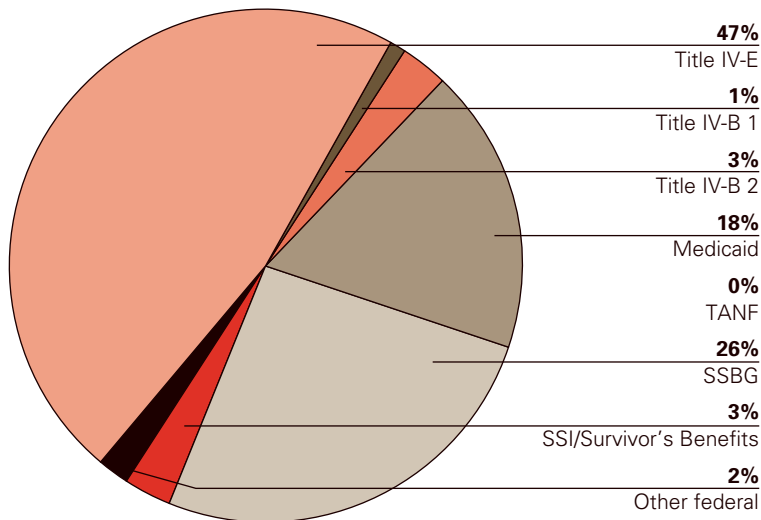
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Alaska

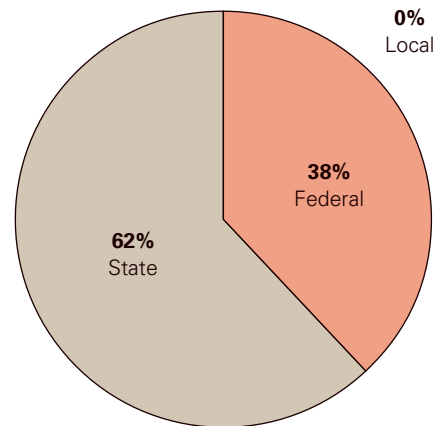
## Spending by Federal Source

\$31,219,555



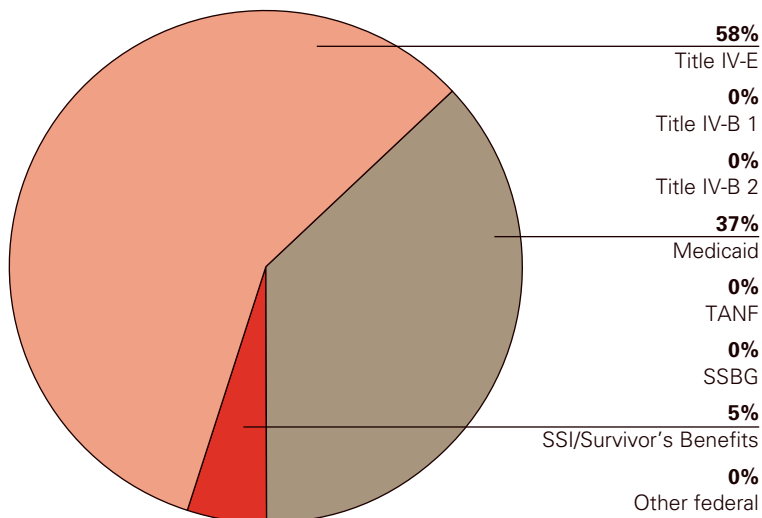
## Spending by Source

\$82,246,655



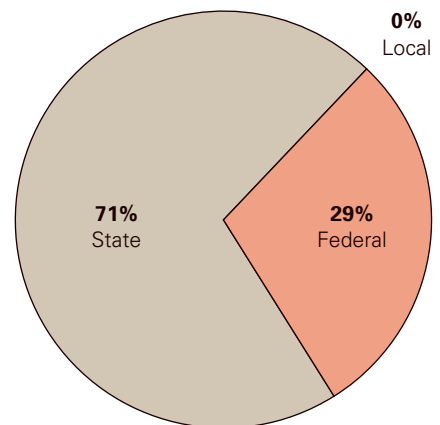
## Spending on Out-of-Home Placements by Federal Source

\$14,912,614



## Spending on Out-of-Home Placements by Source

\$52,025,014







**T**HERE WERE **1,476,856 children** in Arizona in 2002. In that same year, 38,532 referrals were made to child protective services for suspected abuse or neglect (26.1 referrals per 1,000 children in the population). 86.0 percent of these referrals were screened in and 33,151 investigations were conducted. 52,288 children were subjects of an investigation or assessment and 43,134 children received post-investigation services (5,114 victims and 38,020 nonvictims).

ON SEPTEMBER 30, 2001, **6,234 children** were in foster care. Children in care were 2.3 percent Alaska Native/American Indian, 0.1 percent Asian, 10.7 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 33.1 percent Hispanic, 47.5 percent white, 4.4 percent two or more races, and 1.8 percent unknown race or ethnicity. Children were in the following settings: 1 percent in pre-adoptive homes, 24 percent in relative foster homes, 40 percent in non-relative foster homes, 19 percent in group homes, 9 percent in institutions, 2 percent in supervised independent living, 3 percent on runaway status, and 2 percent in trial home visits.<sup>10</sup> 54 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **4,542 children** entered foster care. Of the 4,496 children who exited foster care in 2001, 18.5 percent were adopted, 5.3 percent exited to guardianship, 67.1 percent were reunified with family, and 9.1 percent were discharged with another status. 73 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Arizona include (national standards in parentheses):

- **1.1** Recurrence: 4.0 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.17 percent (≤ 0.57 percent)
- **3.1** Permanency: 90.9 percent
- **4.1** Time to reunification: 73.9 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 21.9 percent (≥ 32.0 percent)
- **6.1** Placement stability: 82.9 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 30.9 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	157,973,769	215,404,417	36.35	232,886,207	8.12	263,162,613	13.00
Federal	68,757,075	97,460,836	41.75	139,532,795	43.17	159,312,366	14.18
IV-E	59,097,078	62,457,578	5.69	59,970,623	–3.98	56,923,703	–5.08
IV-B	—	8,684,631		10,022,107	15.40	12,192,407	21.66
EA/TANF	3,373,401	7,451,740	120.90	18,986,852	154.80	40,021,765	110.79
SSBG	1,401,930	10,220,960	629.06	49,742,846	386.67	47,894,544	–3.72
Medicaid	4,884,666	8,026,182	64.31	—		—	
State	89,216,694	117,943,581	32.20	93,353,412	–20.85	103,850,247	11.24
Local		0		—		0	
Contracted	not requested	113,114,437		158,859,963	40.44	180,077,390	13.36

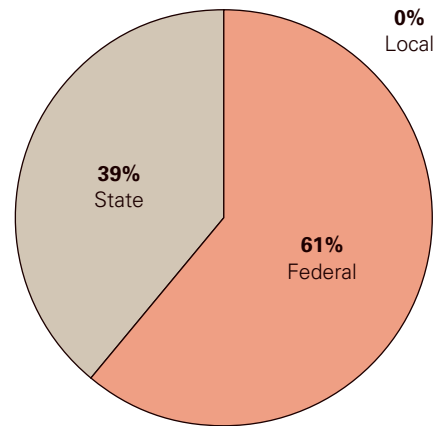
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

## Spending by Source

\$263,162,613



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **677,522 children** in Arkansas in 2002. In that same year, 30,114 referrals were made to child protective services for suspected abuse or neglect (44.4 referrals per 1,000 children in the population). 62.1 percent of these referrals were screened in and 18,697 investigations were conducted. 26,237 children were subjects of an investigation or assessment and 15,397 children received post-investigation services (5,752 victims and 9,645 nonvictims).

ON SEPTEMBER 30, 2001, **2,959 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.1 percent Asian, 34.9 percent black, 2.0 percent Hispanic, 58.3 percent white, 3.4 percent two or more races, and 0.9 percent unknown race or ethnicity.<sup>11</sup> Children were in the following settings: 4 percent in pre-adoptive homes, 4 percent in relative foster homes, 69 percent in non-relative foster homes, 1 percent in group homes, 11 percent in institutions, 1 percent in supervised independent living, 3 percent on runaway status, and 7 percent in trial home visits. 551 children received independent living services. 21–30 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,347 children** entered foster care. Of the 3,244 children who exited foster care in 2001, 10.9 percent were adopted, 1.0 percent exited to guardianship, 71.5 percent were reunified with family, 6.2 percent were discharged with another status, and 10.4 percent had missing data. 61–70 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Arkansas include (national standards in parentheses):

- **1.1** Recurrence: 5.9 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.26 percent (≤ 0.57 percent)
- **3.1** Permanency: 83.4 percent
- **4.1** Time to reunification: 85.7 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 35.2 percent (≥ 32.0 percent)
- **6.1** Placement stability: 75.3 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 9.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	102,054,972	68,970,316		77,715,850		68,005,126	–12.50
Federal	59,354,156	43,252,701		47,868,837		45,108,952	–5.77
IV-E	30,164,075	37,257,919		37,568,536		35,183,839	–6.35
IV-B	3,778,496	5,994,782		5,472,777		5,493,814	0.38
EA/TANF	7,045,716	—		3,229,309		1,700,000	–47.36
SSBG	9,843,665	—		1,357,568		1,986,770	46.35
Medicaid	2,968,483	—		113,677		109,305	–3.85
State	42,700,815	25,717,616		29,847,013		22,896,174	–23.29
Local		—		0		—	
Contracted	not requested	—		—		32,280,000	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

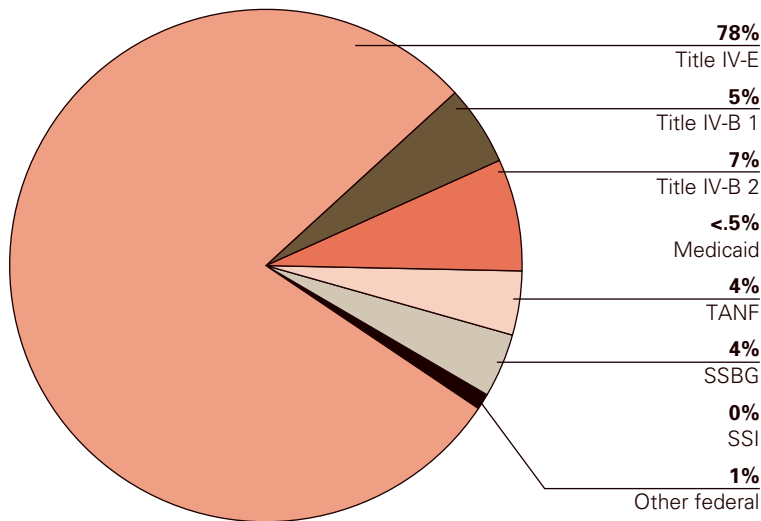
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Did not provide SFY 1998 data. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Arkansas

## Spending by Federal Source

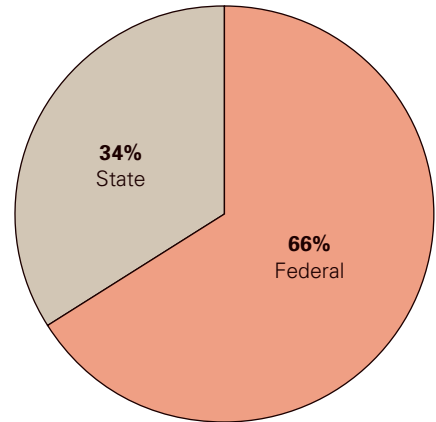
\$45,108,952



*Note:* Arkansas was unable to provide Survivor's Insurance Benefit spending.

## Spending by Source

\$68,005,126



*Note:* Arkansas was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **9,452,391 children** in California in 2002. 260,924 child abuse and neglect investigations were conducted. 512,880 children were subjects of an investigation or assessment and 98,564 victims and 171,572 nonvictims received post-investigation services.<sup>12</sup>

ON SEPTEMBER 30, 2001, **107,168 children** were in foster care. Children in care were 0.9 percent Alaska Native/American Indian, 1.4 percent Asian, 31.3 percent black, 0.3 percent Native Hawaiian/other Pacific Islander, 36.1 percent Hispanic, 26.8 percent white, 2.6 percent two or more races, and 0.6 percent unknown race or ethnicity. Children were in the following settings: 3 percent in pre-adoptive homes, 36 percent in relative foster homes, 37 percent in non-relative foster homes, 14 percent in group homes, 2 percent in institutions, 3 percent on runaway status, and 4 percent in trial home visits.<sup>13</sup> 79 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **45,176 children** entered foster care. Of the 44,096 children who exited foster care in 2001, 17.7 percent were adopted, 5.4 percent exited to guardianship, 59.2 percent were reunified with family, 15.6 percent were discharged with another status, and 2.1 percent had missing data. 87 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in California include (national standards in parentheses):

- 1.1 Recurrence: 11.2 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.34 percent (≤ 0.57 percent)
- 3.1 Permanency: 82.3 percent
- 4.1 Time to reunification: 56.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 17.9 percent (≥ 32.0 percent)
- 6.1 Placement stability: 80.8 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 13.9 percent

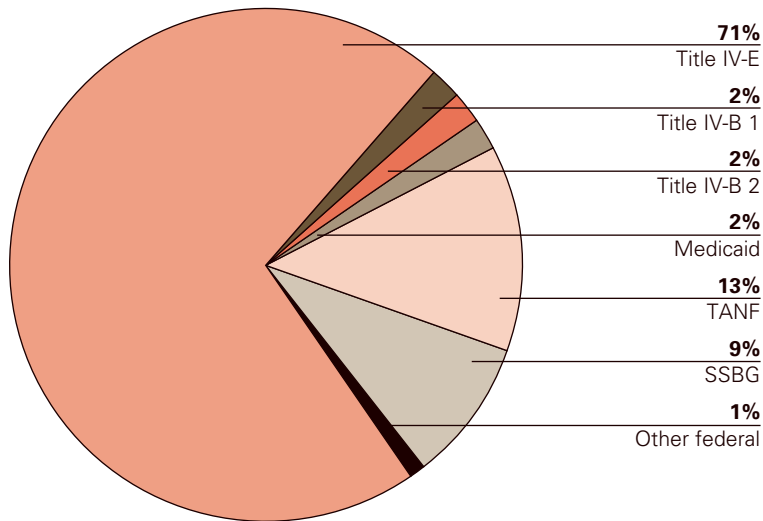
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	2,449,824,268	2,845,320,963	16.14	3,322,129,200	16.76	3,969,123,381	19.48
Federal	989,054,130	1,105,641,000	11.79	1,515,733,440	37.09	1,795,256,381	18.44
IV-E	823,764,616	1,002,321,873	21.68	1,106,414,400	10.39	1,271,781,000	14.95
IV-B	43,036,946	71,768,703	66.76	73,481,200	2.39	75,082,107	2.18
EA/TANF	96,729,902	548,556	–99.43	173,752,800	31,574.59	235,752,000	35.68
SSBG	0	—		115,440,000		161,672,000	40.05
Medicaid	22,699,936	27,292,069	20.23	38,807,600	42.19	32,880,000	–15.27
State	868,865,750	1,011,972,380	16.47	1,056,433,040	4.39	1,274,885,000	20.68
Local	591,904,388	727,707,582	22.94	749,962,720	3.06	898,982,000	19.87
Contracted	not requested	50,909,128		—		117,854,000	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

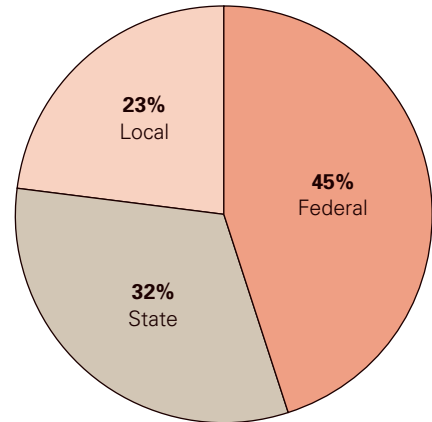
\$1,795,256,381



Note: California was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

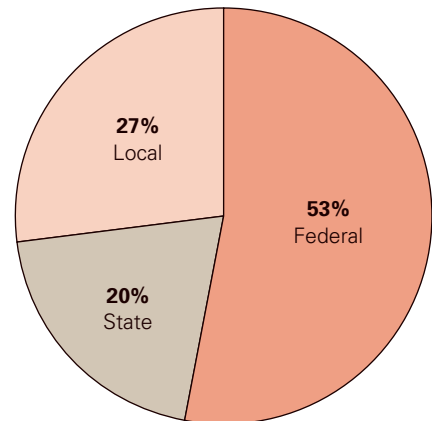
\$3,969,123,381



Some figures may not be presented because of missing or incomplete data for SFY 2002.

## Spending on Out-of-Home Placements by Source

\$2,417,643,000







**T**HERE WERE **1,151,118 children** in Colorado in 2002. In that same year, 40,154 referrals were made to child protective services for suspected abuse or neglect (34.9 referrals per 1,000 children in the population). 69.5 percent of these referrals were screened in and 27,889 investigations were conducted. 40,552 children were subjects of an investigation or assessment and 7,498 children received post-investigation services (2,545 victims and 4,953 nonvictims).

ON SEPTEMBER 30, 2001, **7,138 children** were in foster care. Children in care were 1.7 percent Alaska Native/American Indian, 0.6 percent Asian, 15.1 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 29.4 percent Hispanic, 50.7 percent white, 1.1 percent two or more races, and 1.3 percent unknown race or ethnicity. Children were in the following settings: 9 percent in pre-adoptive homes, 11 percent in relative foster homes, 50 percent in non-relative foster homes, 4 percent in group homes, 23 percent in institutions, 2 percent in supervised independent living, 2 percent on runaway status, and 0 percent in trial home visits. 862 children received independent living services. 60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **7,007 children** entered foster care. Of the 5,200 children who exited foster care in 2001, 9.3 percent were adopted, 2.3 percent exited to guardianship, 68.8 percent were reunified with family, 14.6 percent were discharged with another status, and 4.9 percent had missing data. 78 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Colorado include (national standards in parentheses):

- **1.1** Recurrence: not available (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 80.4 percent
- **4.1** Time to reunification: 83.0 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 51.5 percent (≥ 32.0 percent)
- **6.1** Placement stability: 79.1 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 12.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	212,348,723	296,123,548	39.45	374,123,085	26.34	369,968,558	–1.11
Federal	103,084,952	118,523,920	14.98	178,844,435	50.89	174,491,524	–2.43
IV-E	31,619,174	44,428,639	40.51	49,988,583	12.51	64,105,711	28.24
IV-B	5,760,143	8,042,122	39.62	6,578,731	–18.20	6,330,460	–3.77
EA/TANF	14,272,271	2,297,277	–83.90	479,384	–79.13	11,435,984	2,285.56
SSBG	33,942,070	37,384,727	10.14	61,870,046	65.50	24,558,370	–60.31
Medicaid	16,817,209	26,052,354	54.91	59,120,828	126.93	66,766,205	12.93
State	73,028,234	142,769,628	95.50	140,836,372	–1.35	133,791,121	–5.00
Local	36,235,537	34,830,000	–3.88	54,442,279	56.31	61,685,913	13.31
Contracted	not requested	—		—		—	

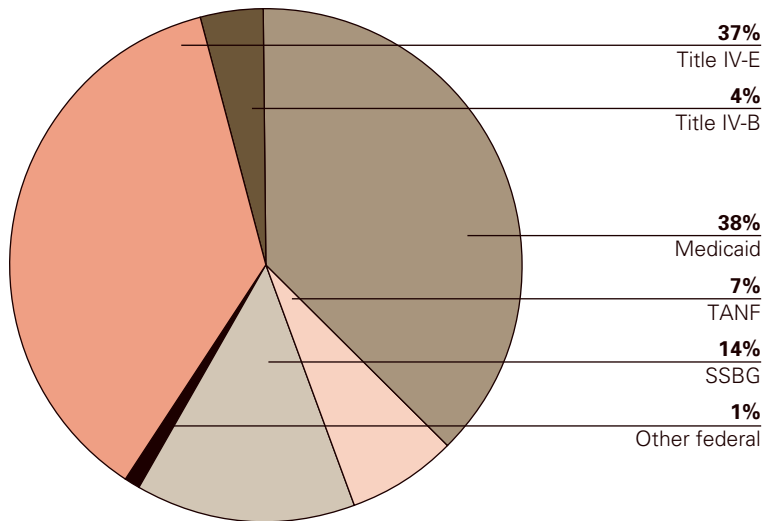
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

# Colorado

## Spending by Federal Source

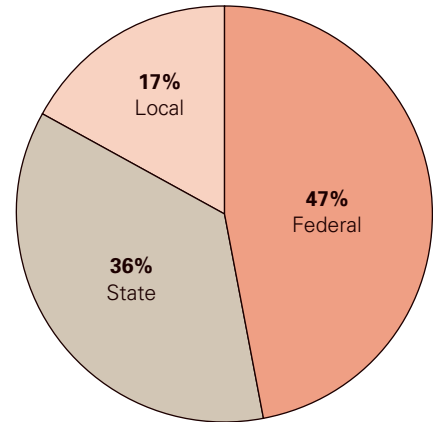
\$174,491,524



Notes: Colorado was unable to provide SSI and Survivor's Insurance Benefit expenditures. Colorado only provided total title IV-B spending.

## Spending by Source

\$369,968,558



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **872,853 children** in Connecticut in 2002. In that same year, 45,627 referrals were made to child protective services for suspected abuse or neglect (52.3 referrals per 1,000 children in the population). 75.6 percent of these referrals were screened in and 34,513 investigations were conducted. 53,414 children were subjects of an investigation or assessment and 4,927 children received post-investigation services (2,941 victims and 1,986 nonvictims).

ON SEPTEMBER 30, 2001, **7,440 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.2 percent Asian, 35.6 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 25.4 percent Hispanic, 34.2 percent white, 3.1 percent two or more races, and 1.4 percent unknown race or ethnicity. Children were in the following settings: 2 percent in pre-adoptive homes, 0 percent in relative foster homes, 67 percent in non-relative foster homes, 4 percent in group homes, 26 percent in institutions, 1 percent in supervised independent living, and 0 percent in trial home visits.<sup>14</sup> 1,399 children received independent living services.<sup>15</sup>

IN 2001, **2,713 children** entered foster care. Of the 1,943 children who exited foster care in 2001, 21.0 percent were adopted, 5.0 percent exited to guardianship, 54.7 percent were reunified with family, 6.8 percent were discharged with another status, and 12.6 percent had missing data.<sup>16</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Connecticut include (national standards in parentheses):

- 1.1 Recurrence: 11.0 percent (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 80.7 percent
- 4.1 Time to reunification: 40.5 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 12.3 percent (≥ 32.0 percent)
- 6.1 Placement stability: 98.4 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 27.7 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	224,337,617	277,053,027	23.50	571,033,480	106.11	139,672,616	
Federal	85,275,532	81,043,061	–4.96	135,643,541	67.37	73,862,288	
IV-E	79,716,465	71,454,584	–10.36	121,150,400	69.55	68,367,027	
IV-B	1,184,370	4,154,849	250.81	4,998,645	20.31	5,495,261	
EA/TANF	4,374,698	0	–100.00	0	0.00	—	
SSBG	—	3,803,653		4,583,682	20.51	—	
Medicaid	0	0	0.00	0	0.00	—	
State	139,062,084	196,009,967	40.95	435,389,939	122.13	65,810,328	
Local	—	—		0		0	
Contracted	not requested	75,561,852		117,987,810	56.15	—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Did not provide SFY 2002 data. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.





THERE WERE **189,698 children** in Delaware in 2002. In that same year, 6,753 referrals were made to child protective services for suspected abuse or neglect (35.6 referrals per 1,000 children in the population). 76.5 percent of these referrals were screened in and 5,163 investigations were conducted. 8,042 children were subjects of an investigation or assessment and 656 child victims received post-investigation services.

ON SEPTEMBER 30, 2001, **1,023 children** were in foster care. Children in care were 0.1 percent Asian, 61.3 percent black, 6.5 percent Hispanic, and 32.1 percent white.<sup>17</sup> Children were in the following settings: 7 percent in pre-adoptive homes, 10 percent in relative foster homes, 57 percent in non-relative foster homes, 8 percent in group homes, 17 percent in institutions, and 0 percent in supervised independent living.<sup>18</sup> 134 children received independent living services.<sup>19</sup>

IN 2001, **939 children** entered foster care. Of the 916 children who exited foster care in 2001, 13.0 percent were adopted, 3.3 percent exited to guardianship, 76.5 percent were reunified with family, 7.1 percent were discharged with another status, and 0.1 percent had missing data.<sup>20</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Delaware include (national standards in parentheses):

- 1.1 Recurrence: 2.8 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.11 percent (≤ 0.57 percent)
- 3.1 Permanency: 92.8 percent
- 4.1 Time to reunification: 86.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 17.7 percent (≥ 32.0 percent)
- 6.1 Placement stability: 96.2 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 6.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	33,490,597	37,516,247	12.02	49,449,326	31.81	51,369,725	3.88
Federal	10,652,298	15,341,810	44.02	20,016,121	30.47	20,549,252	2.66
IV-E	6,667,439	8,006,226	20.08	11,958,643	49.37	13,349,993	11.63
IV-B	609,209	1,219,092	100.11	1,495,410	22.67	1,471,840	–1.58
EA/TANF	—	0		0	0.00	0	0.00
SSBG	2,246,527	2,588,355	15.22	2,636,328	1.85	2,625,835	–0.40
Medicaid	734,170	1,203,502	63.93	476,400	–60.42	257,004	–46.05
State	22,838,299	22,174,437	–2.91	29,433,205	32.73	30,820,473	4.71
Local		—		—		—	
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

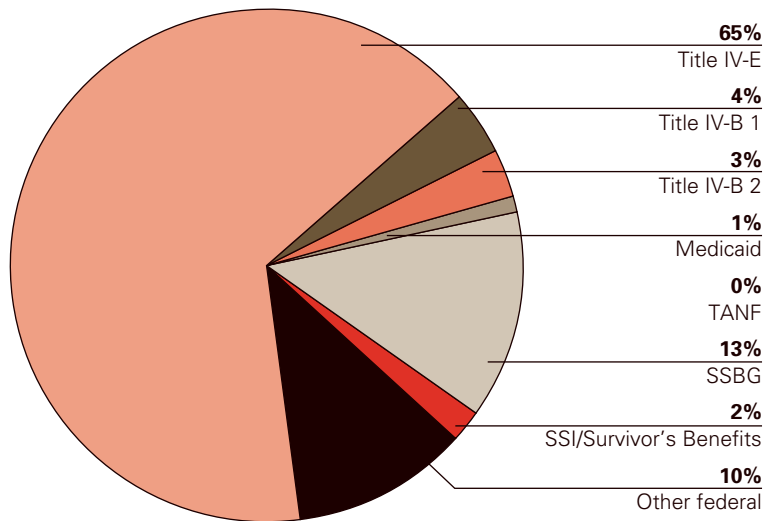
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Delaware

## Spending by Federal Source

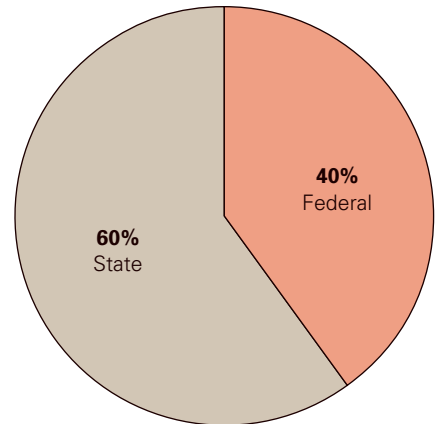
\$20,549,252



Some figures may not be presented because of missing or incomplete data for SFY 2002.

## Spending by Source

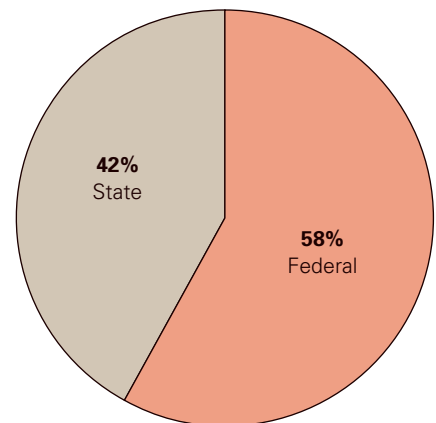
\$51,369,725



*Note:* Delaware was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

## Spending on Out-of-Home Placements by Source

\$67,878,434



*Note:* Delaware was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.





THERE WERE **112,128 children** in the District of Columbia in 2002. In that same year, 5,238 referrals were made to child protective services for suspected abuse or neglect (46.7 referrals per 1,000 children in the population). 96.4 percent of these referrals were screened in and 5,049 investigations were conducted. 8,243 children were subjects of an investigation or assessment and 2,528 child victims received post-investigation services.

ON SEPTEMBER 30, 2001, **3,339 children** were in foster care. Children in care were 0.2 percent Asian, 91.4 percent black, 1.4 percent Hispanic, 0.3 percent white, 0.4 percent two or more races, and 6.3 percent unknown race or ethnicity.<sup>21</sup> Children were in the following settings: 1 percent in pre-adoptive homes, 17 percent in relative foster homes, 55 percent in non-relative foster homes, 18 percent in group homes, 8 percent in institutions, and 1 percent on runaway status.<sup>22</sup> 72 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **822 children** entered foster care. Of the 390 children who exited foster care in 2001, 14.6 percent were adopted, 0.5 percent exited to guardianship, 57.7 percent were reunified with family, and 27.2 percent were discharged with another status. 51–60 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in D.C. include (national standards in parentheses):

- 1.1 Recurrence: 8.3 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.33 percent (≤ 0.57 percent)
- 3.1 Permanency: 72.8 percent
- 4.1 Time to reunification: 65.8 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 5.3 percent (≥ 32.0 percent)
- 6.1 Placement stability: 86.3 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 45.5 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	110,882,089	122,421,078	10.41	153,004,405	24.98	218,074,750	42.53
Federal	30,296,089	47,840,278	57.91	74,764,005	56.28	77,138,769	3.18
IV-E	25,175,288	44,410,898	76.41	44,500,785	0.20	38,728,989	–12.97
IV-B	1,064,832	869,602	–18.33	1,503,666	72.91	1,861,543	23.80
EA/TANF	718,317	0	–100.00	11,440,000		11,000,000	–3.85
SSBG	2,800,886	1,749,547	–37.54	1,262,297	–27.85	549,819	–56.44
Medicaid	372,261	414,800	11.43	14,750,113	3,455.96	23,595,312	59.97
State	80,586,000	74,580,800	–7.45	78,240,400	4.91	140,935,981	80.13
Local		0		0	0.00	0	0.00
Contracted	not requested	18,654,635		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

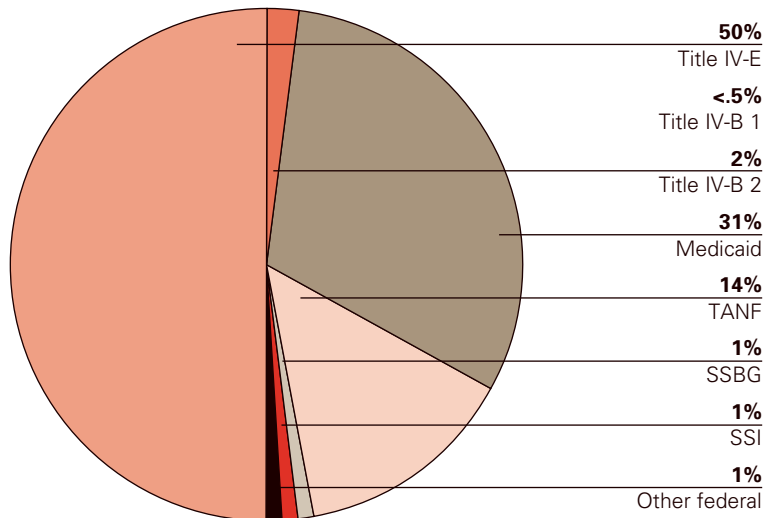
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# District of Columbia

## Spending by Federal Source

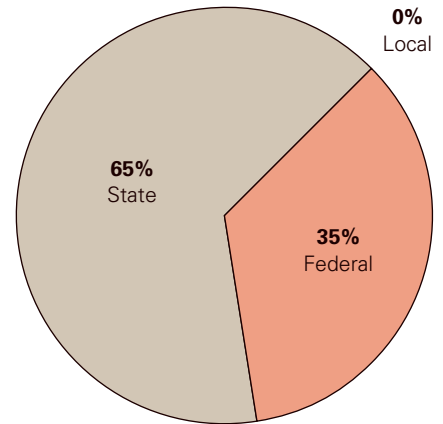
\$77,138,769



*Note:* The District of Columbia was unable to provide Survivor's Insurance Benefit spending.

## Spending by Source

\$218,074,750



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **3,882,271 children** in Florida in 2002. In that same year, 225,878 referrals were made to child protective services for suspected abuse or neglect (58.2 referrals per 1,000 children in the population). 63.1 percent of these referrals were screened in and 142,547 investigations were conducted. 254,856 children were subjects of an investigation or assessment and 110,850 children received post-investigation services (72,034 victims and 38,816 nonvictims).

ON SEPTEMBER 30, 2001, **32,477 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.1 percent Asian, 43.6 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 8.3 percent Hispanic, 44.9 percent white, 2.5 percent two or more races, and 0.4 percent unknown race or ethnicity. Children were in the following settings: 2 percent in pre-adoptive homes, 46 percent in relative foster homes, 39 percent in non-relative foster homes, 2 percent in group homes, 8 percent in institutions, 1 percent in supervised independent living, and 1 percent on runaway status.<sup>23</sup> 1,044 children received independent living services.<sup>24</sup> 42 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **18,673 children** entered foster care. Of the 17,061 children who exited foster care in 2001, 8.8 percent were adopted, 2.3 percent exited to guardianship, 80.8 percent were reunified with family, and 8.0 percent were discharged with another status. 82 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Florida include (national standards in parentheses):

- **1.1** Recurrence: 8.4 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.32 percent (≤ 0.57 percent)
- **3.1** Permanency: 91.9 percent
- **4.1** Time to reunification: 50.2 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 29.6 percent (≥ 32.0 percent)
- **6.1** Placement stability: 86.4 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 5.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	471,491,352	539,220,599	14.36	719,040,983	33.35	766,109,440	6.55
Federal	261,916,409	383,279,428	46.34	438,523,895	14.41	436,772,421	–0.40
IV-E	111,866,644	153,152,430	36.91	181,294,429	18.38	183,180,612	1.04
IV-B	22,612,644	29,429,382	30.15	26,023,637	–11.57	34,901,034	34.11
EA/TANF	51,075,342	0	–100.00	14,446,478		137,595,047	852.45
SSBG	74,500,891	181,238,279	143.27	195,619,628	7.94	63,728,431	
Medicaid	1,860,888	9,358,902	402.93	11,623,774	24.20	3,978,767	–65.77
State	209,574,943	155,941,171	–25.59	280,517,089	79.89	328,774,382	17.20
Local		—		—		562,637	
Contracted	not requested	—		249,918,387		216,616,968	–13.32

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

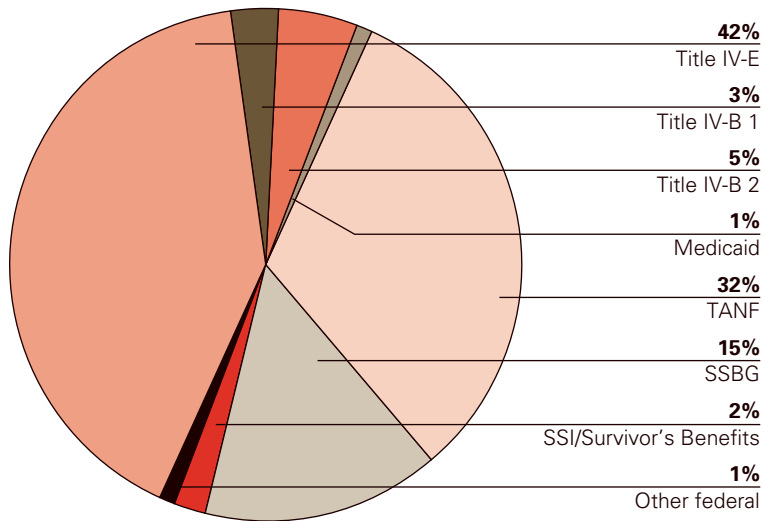
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: SSBG spending in SFY 2000 may have included adult services. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Florida

## Spending by Federal Source

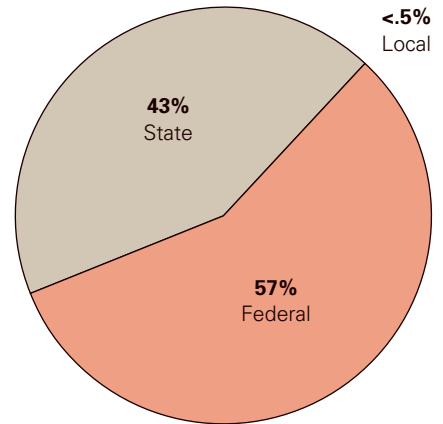
\$436,772,421



Some figures may not be presented because of missing or incomplete data for SFY 2002.

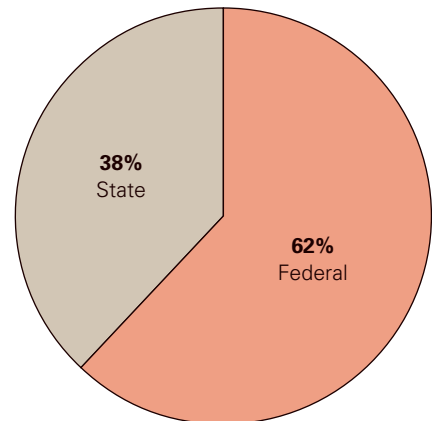
## Spending by Source

\$766,109,440



## Spending on Out-of-Home Placements by Source

\$364,597,066



*Note:* Florida was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.



**T**HERE WERE **2,268,477 children** in Georgia in 2002. In that same year, 85,564 referrals were made to child protective services for suspected abuse or neglect (37.7 referrals per 1,000 children in the population). 80.8 percent of these referrals were screened in and 69,108 investigations were conducted. 126,677 children were subjects of an investigation or assessment and 25,300 victims and 1,779 nonvictims received post-investigation services.

ON SEPTEMBER 30, 2001, **12,414 children** were in foster care. Children in care were 0.0 percent Alaska Native/American Indian, 0.2 percent Asian, 56.1 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 3.3 percent Hispanic, 37.2 percent white, 2.7 percent two or more races, and 0.4 percent unknown race or ethnicity. Children were in the following settings: 4 percent in pre-adoptive homes, 19 percent in relative foster homes, 63 percent in non-relative foster homes, 8 percent in group homes, 6 percent in institutions, and 0 percent on runaway status.<sup>25</sup> 1,287 children received independent living services. 21–30 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **8,024 children** entered foster care. Of the 5,093 children who exited foster care in 2001, 19.1 percent were adopted, 2.1 percent exited to guardianship, 72.5 percent were reunified with family, and 6.3 percent were discharged with another status. 21–30 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Georgia include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 93.7 percent
- 4.1 Time to reunification: 79.3 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 18.7 percent (≥ 32.0 percent)
- 6.1 Placement stability: 94.8 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 4.4 percent

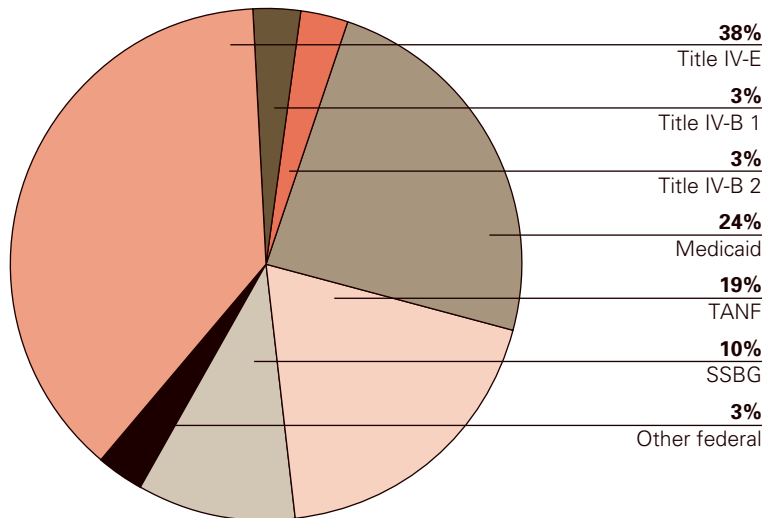
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	239,411,506	264,110,829	10.32	325,905,360	23.40	385,718,188	18.35
Federal	102,925,585	108,077,422	5.01	162,903,066	50.73	230,144,157	41.28
IV-E	32,939,066	50,480,311	53.25	71,153,609	40.95	87,889,807	23.52
IV-B	11,740,698	15,755,490	34.20	17,858,664	13.35	14,899,096	–16.57
EA/TANF	13,337,619	0	–100.00	27,811,682		44,439,858	59.79
SSBG	25,128,059	21,871,345	–12.96	28,894,601	32.11	22,328,466	–22.72
Medicaid	17,784,605	18,063,529	1.57	14,907,649	–17.47	54,297,824	264.23
State	133,813,816	153,985,320	15.07	161,220,183	4.70	153,575,783	–4.74
Local	2,672,105	2,048,087	–23.35	1,782,111	–12.99	1,998,248	12.13
Contracted	not requested	—		54,839,747		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

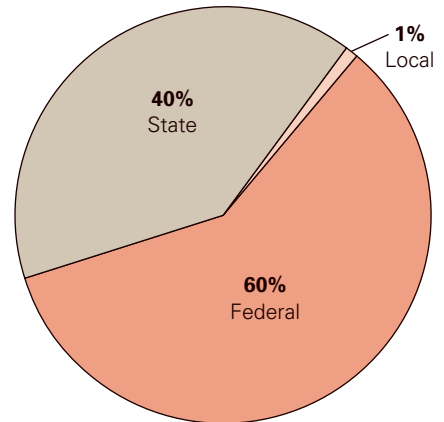
\$230,144,157



*Note:* Georgia was unable to provide SSI and Survivor's Insurance Benefit expenditures.

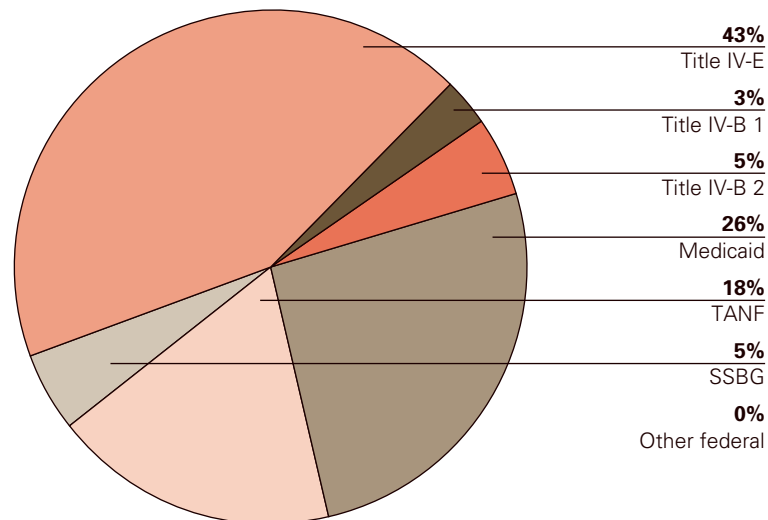
## Spending by Source

\$385,718,188



## Spending on Out-of-Home Placements by Federal Source

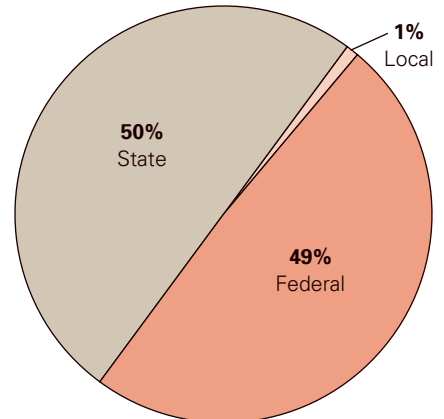
\$131,363,575



*Note:* Georgia was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending on Out-of-Home Placements by Source

\$266,004,004







THERE WERE **295,514 children** in Hawaii in 2002. 3,619 child abuse and neglect investigations were conducted. 7,318 children were subjects of an investigation or assessment and 5,563 children received post-investigation services (3,156 victims and 2,407 nonvictims).<sup>26</sup>

ON SEPTEMBER 30, 2001, **2,584 children** were in foster care. Children in care were 0.7 percent Alaska Native/American Indian, 19.3 percent Asian, 1.9 percent black, 35.2 percent Native Hawaiian/other Pacific Islander, 2.1 percent Hispanic, 10.7 percent white, 26.9 percent two or more races, and 2.7 percent unknown race or ethnicity. Children were in the following settings: 0 percent in pre-adoptive homes, 38 percent in relative foster homes, 55 percent in non-relative foster homes, 1 percent in group homes, 3 percent in institutions, 2 percent on runaway status, and 0 percent in trial home visits.<sup>27</sup> An estimated 155 children received independent living services. 66 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,193 children** entered foster care. Of the 1,920 children who exited foster care in 2001, 14.6 percent were adopted, 11.0 percent exited to guardianship, 64.4 percent were reunified with family, 9.7 percent were discharged with another status, and 0.3 percent had missing data.<sup>28</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Hawaii include (national standards in parentheses):

- 1.1 Recurrence: 7.3 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.96 percent (≤ 0.57 percent)
- 3.1 Permanency: 90.0 percent
- 4.1 Time to reunification: 80.3 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 51.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 83.8 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 1.2 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	47,580,802	52,477,478	10.29	55,681,356	6.11	80,423,767	44.44
Federal	24,020,442	24,963,402	3.93	39,483,913	58.17	37,028,343	–6.22
IV-E	10,416,240	18,715,032		26,753,608		25,105,189	–6.16
IV-B	1,724,940	2,270,163		2,270,666		2,260,300	–0.46
EA/TANF	—	—		1,040,000		2,000,000	92.31
SSBG	—	—		8,966,441		6,575,717	–26.66
Medicaid	—	—		—		—	
State	23,560,359	27,514,076	16.78	16,197,443	–41.13	43,395,424	167.92
Local		—		—		—	
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

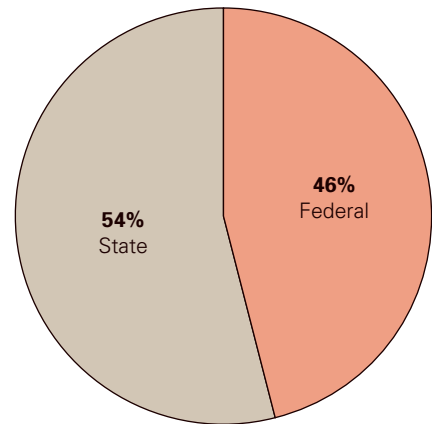
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Only provided total, federal and state spending in SFY 1996 and 1998. Titles IV-B and IV-E spending represents U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match.

# Hawaii

## Spending by Source

\$80,423,767



*Note:* Hawaii was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.





THERE WERE **370,439 children** in Idaho in 2002. In that same year, 13,048 referrals were made to child protective services for suspected abuse or neglect (35.2 referrals per 1,000 children in the population). 49.6 percent of these referrals were screened in and 6,475 investigations were conducted. 9,412 children were subjects of an investigation or assessment and 1,186 victims and 1,621 nonvictims received post-investigation services.

ON SEPTEMBER 30, 2001, **1,114 children** were in foster care. Children in care were 7.9 percent Alaska Native/American Indian, 0.4 percent Asian, 2.0 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 12.3 percent Hispanic, and 77.4 percent white.<sup>29</sup> Children were in the following settings: 3 percent in pre-adoptive homes, 13 percent in relative foster homes, 65 percent in non-relative foster homes, 10 percent in group homes, 7 percent in institutions, 1 percent on runaway status, and 1 percent in trial home visits.<sup>30</sup> 372 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,209 children** entered foster care. Of the 1,084 children who exited foster care in 2001, 10.1 percent were adopted, 81.5 percent were reunified with family, and 8.4 percent were discharged with another status.<sup>31</sup> Over 80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Idaho include (national standards in parentheses):

- 1.1 Recurrence: 9.3 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.36 percent (≤ 0.57 percent)
- 3.1 Permanency: 91.6 percent
- 4.1 Time to reunification: 88.9 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 33.6 percent (≥ 32.0 percent)
- 6.1 Placement stability: 81.1 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 6.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	41,238,720	46,330,864	12.35	48,819,168	5.37	49,785,800	1.98
Federal	26,237,514	33,296,699	26.90	35,555,216	6.78	29,142,100	–18.04
IV-E	9,162,606	9,204,834	0.46	9,276,625	0.78	8,375,900	–9.71
IV-B	2,373,735	1,862,787	–21.53	2,581,201	38.57	2,391,600	–7.35
EA/TANF	4,083,801	7,962,461	94.98	16,298,984	104.70	7,529,500	–53.80
SSBG	10,098,003	12,601,708	24.79	7,314,320	–41.96	9,655,100	32.00
Medicaid	67,710	178,182	163.15	84,086	–52.81	623,300	641.26
State	15,001,206	13,034,165	–13.11	13,263,952	1.76	20,643,700	55.64
Local		—		—		—	
Contracted	not requested	—		—		—	

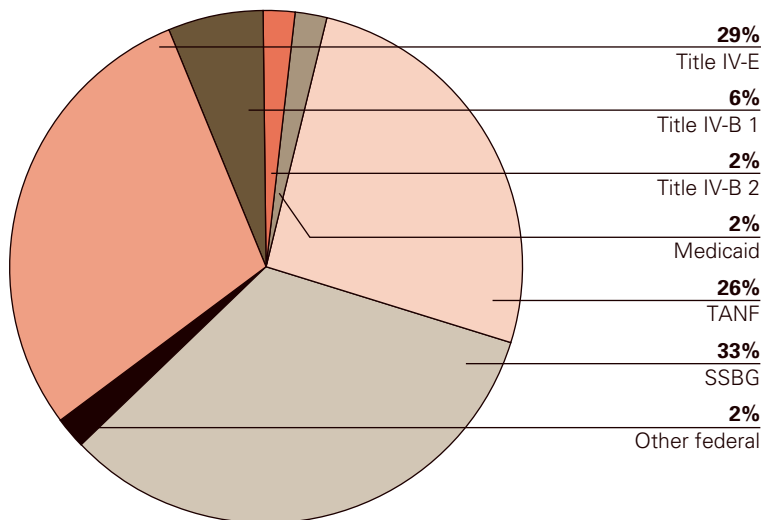
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

## Spending by Federal Source

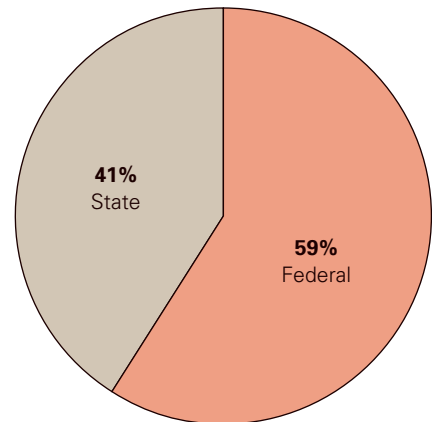
\$29,142,100



*Note:* Idaho was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

\$49,785,800



*Note:* Idaho was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **3,254,523 children** in Illinois in 2002. In that same year, 58,704 referrals were made to child protective services for suspected abuse or neglect (18.0 referrals per 1,000 children in the population). 100.0 percent of these referrals were screened in and 58,704 investigations were conducted. 137,321 children were subjects of an investigation or assessment and 10,824 children received post-investigation services (5,452 victims and 5,372 nonvictims).

ON SEPTEMBER 30, 2001, **28,460 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.1 percent Asian, 72.3 percent black, 5.2 percent Hispanic, 20.4 percent white, and 1.9 percent unknown race or ethnicity.<sup>32</sup> Children were in the following settings: 8 percent in pre-adoptive homes, 32 percent in relative foster homes, 42 percent in non-relative foster homes, 2 percent in group homes, 9 percent in institutions, 4 percent in supervised independent living, and 3 percent on runaway status.<sup>33</sup> 2,008 children received independent living services. 45 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **6,587 children** entered foster care. Of the 9,507 children who exited foster care in 2001, 42.6 percent were adopted, 9.3 percent exited to guardianship, 28.7 percent were reunified with family, 16.9 percent were discharged with another status, and 2.5 percent had missing data. 91 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Illinois include (national standards in parentheses):

- 1.1 Recurrence: 10.1 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.55 percent (≤ 0.57 percent)
- 3.1 Permanency: 80.6 percent
- 4.1 Time to reunification: 48.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 9.0 percent (≥ 32.0 percent)
- 6.1 Placement stability: 80.5 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 3.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	2,032,208,020	1,404,340,200	–30.90	1,445,682,352	2.94	1,373,409,026	–5.00
Federal	664,898,809	724,583,554	8.98	743,269,615	2.58	738,430,027	–0.65
IV-E	253,633,641	352,362,406	38.93	359,111,592	1.92	392,190,791	9.21
IV-B	18,889,980	13,867,336	–26.59	22,810,316	64.49	28,056,959	23.00
EA/TANF	88,986,126	167,541,314	88.28	167,792,360	0.15	167,560,847	–0.14
SSBG	94,519,915	97,848,756	3.52	106,873,976	9.22	88,692,123	–17.01
Medicaid	129,211,994	63,316,116	–51.00	45,574,459	–28.02	36,339,907	–20.26
State	1,367,309,211	679,756,646	–50.29	702,412,738	3.33	634,978,999	–9.60
Local		0		0	0.00	0	0.00
Contracted	not requested	1,098,209,664		750,962,273	–31.62	672,155,108	–10.49

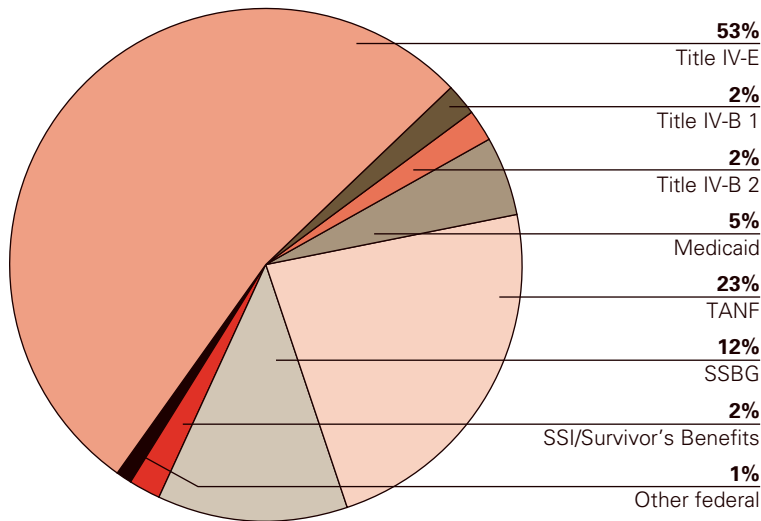
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

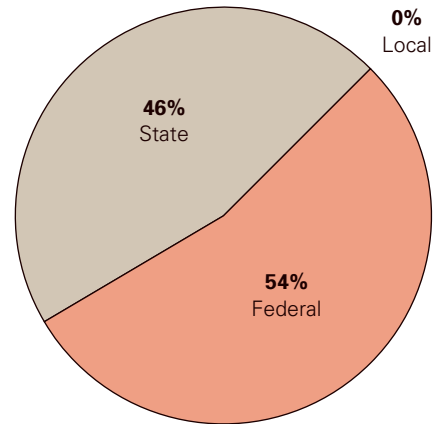
## Spending by Federal Source

\$738,430,027



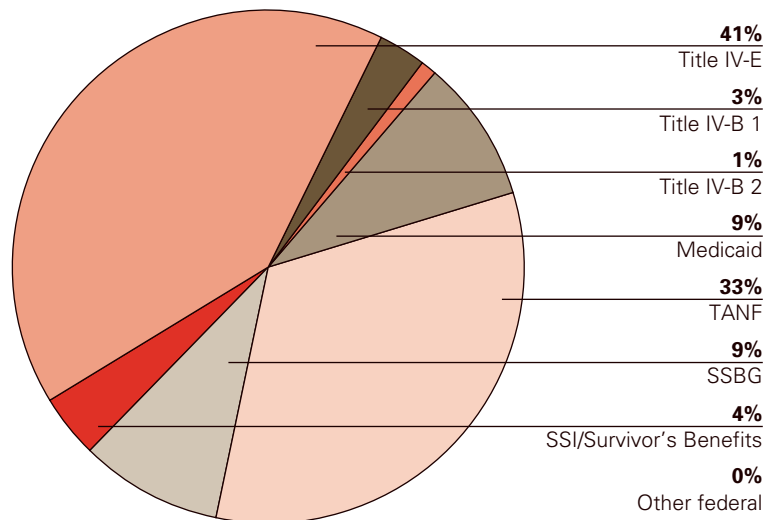
## Spending by Source

\$1,373,409,026



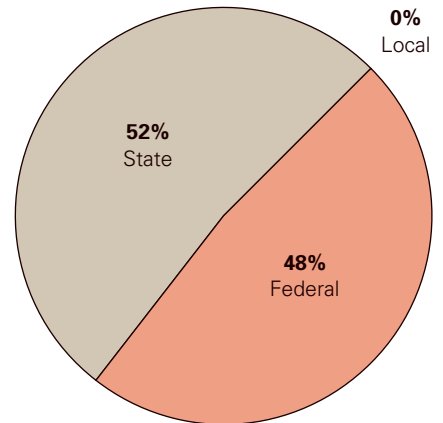
## Spending on Out-of-Home Placements by Federal Source

\$423,524,430



## Spending on Out-of-Home Placements by Source

\$880,762,076







**T**HERE WERE **1,594,857 children** in Indiana in 2002. In that same year, 49,983 referrals were made to child protective services for suspected abuse or neglect (31.3 referrals per 1,000 children in the population). 66.7 percent of these referrals were screened in and 33,336 investigations were conducted. 50,163 children were subjects of an investigation or assessment and 6,961 children received post-investigation services (6,580 victims and 381 nonvictims).

ON SEPTEMBER 30, 2001, **8,383 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.2 percent Asian, 38.0 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 4.8 percent Hispanic, 53.7 percent white, 2.6 percent two or more races, and 0.3 percent unknown race or ethnicity. Children were in the following settings: 16 percent in relative foster homes, 61 percent in non-relative foster homes, 3 percent in group homes, 17 percent in institutions, 1 percent on runaway status, and 2 percent in trial home visits.<sup>34</sup> 31 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **5,399 children** entered foster care. Of the 4,750 children who exited foster care in 2001, 23.5 percent were adopted, 5.9 percent exited to guardianship, 59.6 percent were reunified with family, 7.2 percent were discharged with another status, and 3.8 percent had missing data.<sup>35</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Indiana include (national standards in parentheses):

- **1.1** Recurrence: 7.1 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.56 percent (≤ 0.57 percent)
- **3.1** Permanency: 89.0 percent
- **4.1** Time to reunification: 75.7 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 25.3 percent (≥ 32.0 percent)
- **6.1** Placement stability: 85.9 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 7.1 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	351,077,219	399,971,503	13.93	361,472,511	–9.63	383,761,912	6.17
Federal	86,890,329	112,455,218	29.42	99,016,761	–11.95	108,725,458	9.81
IV-E	56,540,702	69,526,718	22.97	58,714,134	–15.55	65,071,406	10.83
IV-B	11,751,509	11,863,135	0.95	10,719,031	–9.64	9,033,518	–15.72
EA/TANF	7,711,399	2,093,324	–72.85	4,076,984	94.76	9,659,663	136.93
SSBG	10,074,179	18,826,004	86.87	13,645,276	–27.52	14,170,202	3.85
Medicaid	397,293	845,070	112.71	1,912,815	126.35	—	—
State	49,260,597	6,011,480	–87.80	5,970,428	–0.68	18,225,527	205.26
Local	214,926,293	281,504,805	30.98	256,485,322	–8.89	256,810,927	0.13
Contracted	not requested	—	—	0	—	—	—

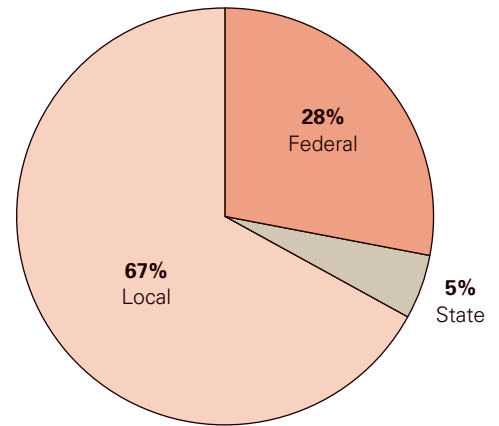
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

# Indiana

## Spending by Source

\$383,761,912



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **698,045 children** in Iowa in 2002. In that same year, 35,612 referrals were made to child protective services for suspected abuse or neglect (51.0 referrals per 1,000 children in the population). 65.2 percent of these referrals were screened in and 23,215 investigations were conducted. 34,793 children were subjects of an investigation or assessment and 10,929 children received post-investigation services (5,793 victims and 5,136 nonvictims).

ON SEPTEMBER 30, 2001, **5,202 children** were in foster care. Children in care were 2.4 percent Alaska Native/American Indian, 0.7 percent Asian, 11.8 percent black, 4.7 percent Hispanic, 70.1 percent white, 0.4 percent two or more races, and 9.9 percent unknown race or ethnicity.<sup>36</sup> Children were in the following settings: 7 percent in pre-adoptive homes, 1 percent in relative foster homes, 53 percent in non-relative foster homes, 30 percent in group homes, 8 percent in institutions, and 2 percent in supervised independent living.<sup>37</sup> 31–40 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **5,829 children** entered foster care. Of the 5,712 children who exited foster care in 2001, 11.6 percent were adopted, 0.6 percent exited to guardianship, 79.6 percent were reunified with family, and 8.2 percent were discharged with another status. 71–80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Iowa include (national standards in parentheses):

- **1.1** Recurrence: 11.2 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.89 percent (≤ 0.57 percent)
- **3.1** Permanency: 91.8 percent
- **4.1** Time to reunification: 81.1 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 46.0 percent (≥ 32.0 percent)
- **6.1** Placement stability: 88.8 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 22.6 percent

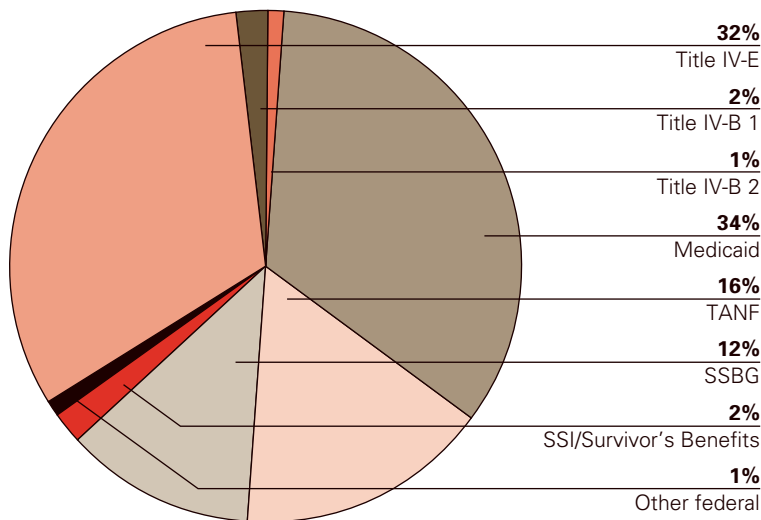
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	180,252,488	254,325,438	41.09	321,315,146	26.34	317,371,621	–1.23
Federal	72,488,514	127,464,583	75.84	162,822,740	27.74	141,224,971	–13.26
IV-E	26,234,176	41,129,692	56.78	55,955,043	36.05	44,871,784	–19.81
IV-B	4,857,265	4,347,949	–10.49	4,235,590	–2.58	4,970,904	17.36
EA/TANF	12,005,095	20,655,153	72.05	30,182,133	46.12	23,006,716	–23.77
SSBG	1,180,878	16,715,071	1315.48	18,181,809	8.77	17,214,525	–5.32
Medicaid	28,211,101	40,609,564	43.95	49,848,597	22.75	47,345,909	–5.02
State	107,763,974	126,860,855	17.72	158,492,406	24.93	176,146,650	11.14
Local	—	—		—		—	
Contracted	not requested	138,791,925		151,652,312	9.27	173,219,494	14.22

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

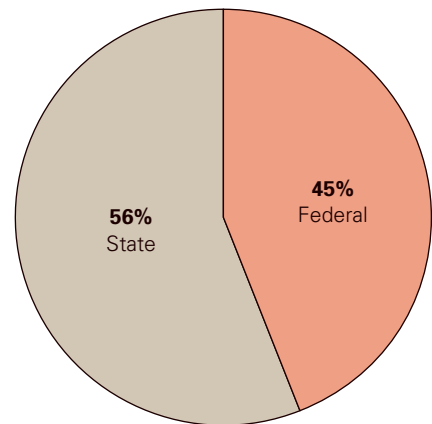
## Spending by Federal Source

\$141,224,971



## Spending by Source

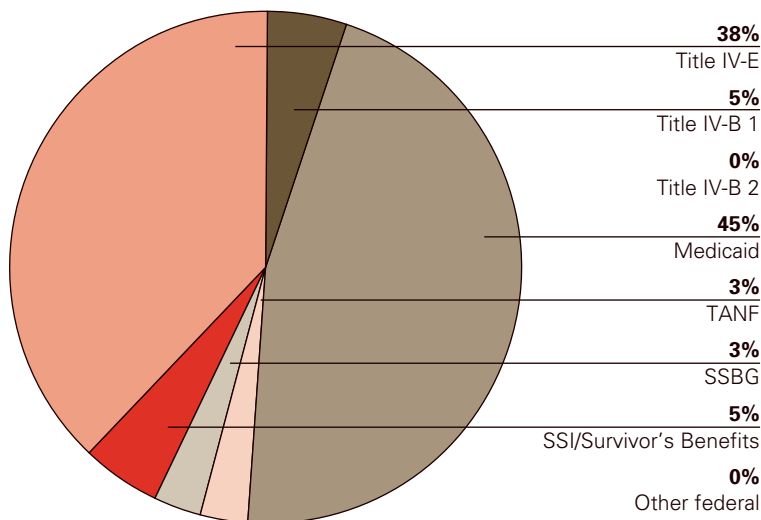
\$317,371,621



*Note:* Iowa was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

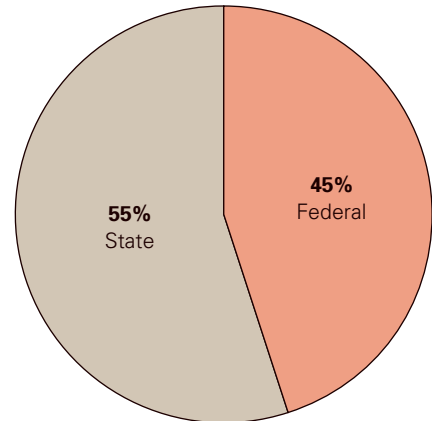
## Spending on Out-of-Home Placements by Federal Source

\$58,873,386



## Spending on Out-of-Home Placements by Source

\$129,736,583



*Note:* Iowa was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.



**T**HERE WERE **696,519 children** in Kansas in 2002. In that same year, 29,508 referrals were made to child protective services for suspected abuse or neglect (42.4 referrals per 1,000 children in the population). 59.3 percent of these referrals were screened in and 17,504 investigations were conducted. 26,696 children were subjects of an investigation or assessment and 7,310 children received post-investigation services (3,076 victims and 4,234 nonvictims).

ON SEPTEMBER 30, 2001, **6,409 children** were in foster care. Children in care were 0.9 percent Alaska Native/American Indian, 0.3 percent Asian, 21.4 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 5.2 percent Hispanic, 67.8 percent white, 1.4 percent two or more races, and 3.0 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 13 percent in relative foster homes, 54 percent in non-relative foster homes, 5 percent in group homes, 6 percent in institutions, 1 percent in supervised independent living, 2 percent on runaway status, and 14 percent in trial home visits. 1,706 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,834 children** entered foster care. Of the 1,801 children who exited foster care in 2001, 1.3 percent were adopted, 6.8 percent exited to guardianship, 78.3 percent were reunified with family, and 13.6 percent were discharged with another status. 76 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Kansas include (national standards in parentheses):

- **1.1** Recurrence: 8.3 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.50 percent (≤ 0.57 percent)
- **3.1** Permanency: 86.4 percent
- **4.1** Time to reunification: 43.2 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 39.1 percent (≥ 32.0 percent)
- **6.1** Placement stability: 67.0 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 2.9 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	141,281,477	126,843,915	–10.22	179,072,431	41.18	183,960,499	2.73
Federal	64,056,307	69,859,964	9.06	132,399,479	89.52	114,299,519	–13.67
IV-E	30,939,401	20,986,107	–32.17	40,221,631	91.66	38,346,048	–4.66
IV-B	3,593,158	4,458,334	24.08	5,312,670	19.16	4,708,965	–11.36
EA/TANF	2,706,248	0	–100.00	50,255,767		29,937,526	–40.43
SSBG	10,904,374	25,601,734	134.78	7,771,995	–69.64	5,703,114	–26.62
Medicaid	14,177,275	17,288,222	21.94	16,450,970	–4.84	22,963,462	39.59
State	77,225,170	56,983,950	–26.21	46,672,953	–18.09	69,660,983	49.25
Local							
Contracted	not requested	93,359,195		130,445,843	39.72	139,937,955	7.28

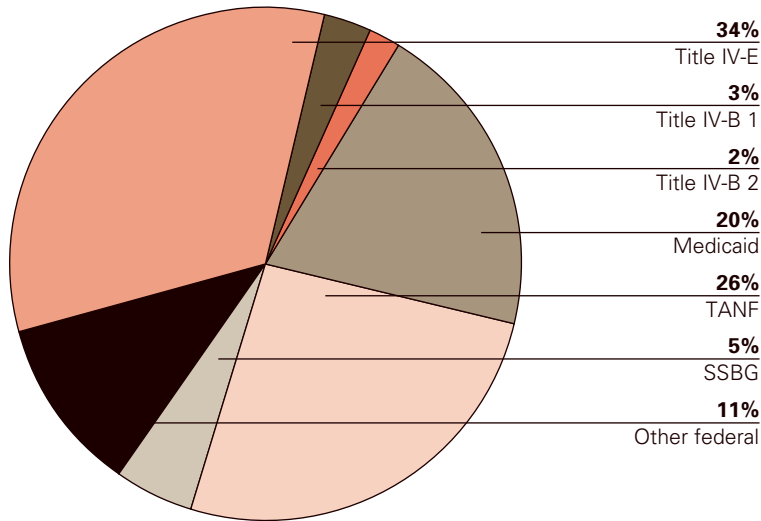
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

## Spending by Federal Source

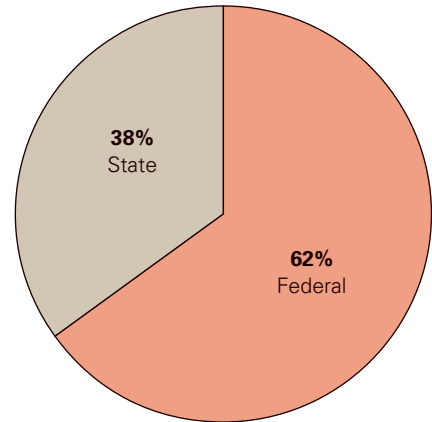
\$114,299,519



*Note:* Kansas was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

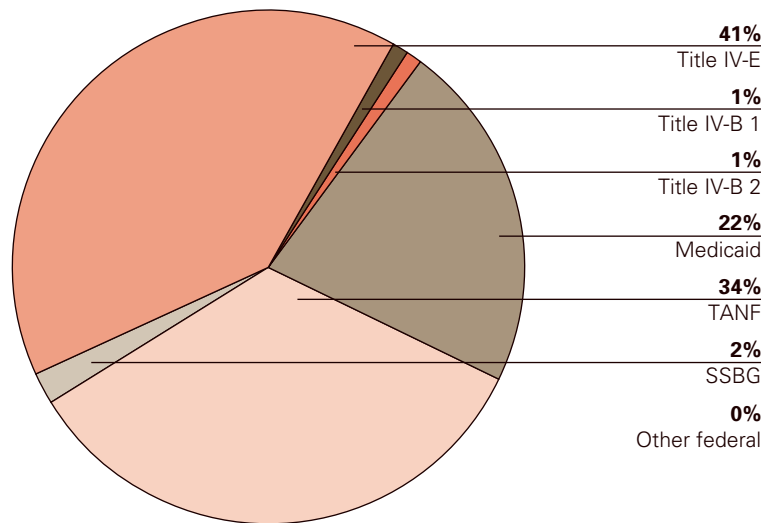
\$183,960,499



*Note:* Kansas was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

## Spending on Out-of-Home Placements by Federal Source

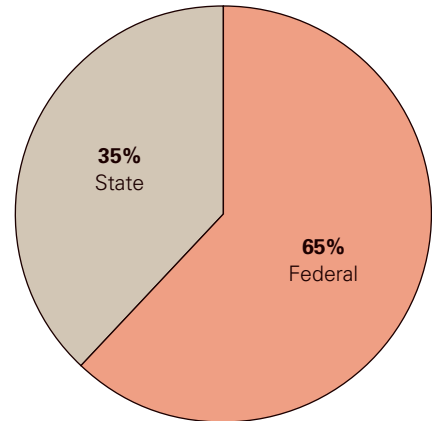
\$71,220,759



*Note:* Kansas was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending on Out-of-Home Placements by Source

\$109,005,727



*Note:* Kansas was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.





**T**HERE WERE **931,588 children** in Kentucky in 2002. In that same year, 43,299 referrals were made to child protective services for suspected abuse or neglect (46.5 referrals per 1,000 children in the population). 95.2 percent of these referrals were screened in and 41,218 investigations were conducted. 62,738 children were subjects of an investigation or assessment and 25,238 children received post-investigation services (10,745 victims and 14,493 nonvictims).

ON SEPTEMBER 30, 2001, **6,141 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 19.0 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 0.9 percent Hispanic, 73.4 percent white, 3.0 percent two or more races, and 3.5 percent unknown race or ethnicity. Children were in the following settings: 3 percent in pre-adoptive homes, 10 percent in relative foster homes, 51 percent in non-relative foster homes, 35 percent in institutions, and 1 percent in supervised independent living.<sup>38</sup> 585 children received independent living services. 61 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **4,456 children** entered foster care. Of the 3,599 children who exited foster care in 2001, 14.3 percent were adopted, 0.6 percent exited to guardianship, 70.4 percent were reunified with family, 8.5 percent were discharged with another status, and 6.2 percent had missing data. 83 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Kentucky include (national standards in parentheses):

- 1.1 Recurrence: 8.6 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.65 percent (≤ 0.57 percent)
- 3.1 Permanency: 85.3 percent
- 4.1 Time to reunification: 82.5 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 15.9 percent (≥ 32.0 percent)
- 6.1 Placement stability: 80.3 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 14.3 percent

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	275,003,045	205,414,227	-25.30	281,603,900	37.09	331,951,216	17.88
Federal	107,287,559	86,264,930	-19.59	106,265,661	23.19	127,241,464	19.74
IV-E	61,145,900	50,768,812	-16.97	56,132,071	10.56	67,052,988	19.46
IV-B	6,959,364	8,674,828	24.65	8,854,229	2.07	10,177,838	14.95
EA/TANF	1,201,020	0	-100.00	10,450,544		28,250,423	170.32
SSBG	37,092,870	26,204,004	-29.36	24,078,378	-8.11	15,527,036	-35.51
Medicaid	0	0	0.00	0	0.00	0	0.00
State	167,715,486	119,149,297	-28.96	175,338,239	47.16	204,709,752	16.75
Local		0		0	0.00	0	0.00
Contracted	not requested	17,537,576		27,354,519	55.98	38,170,253	39.54

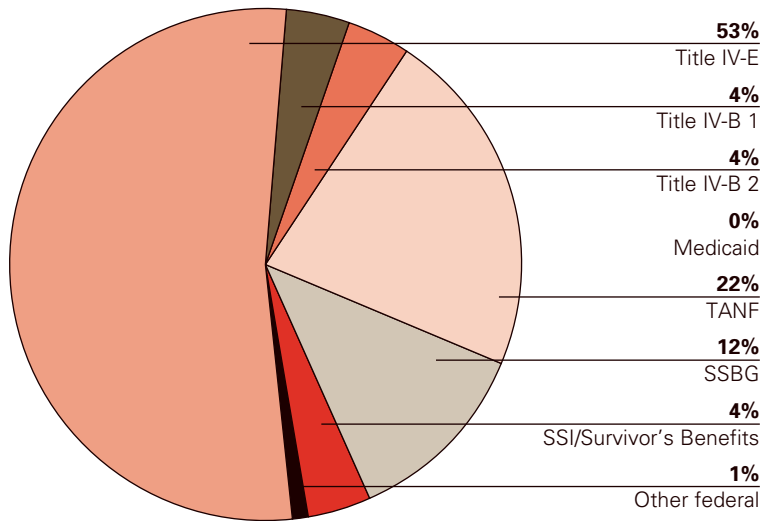
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

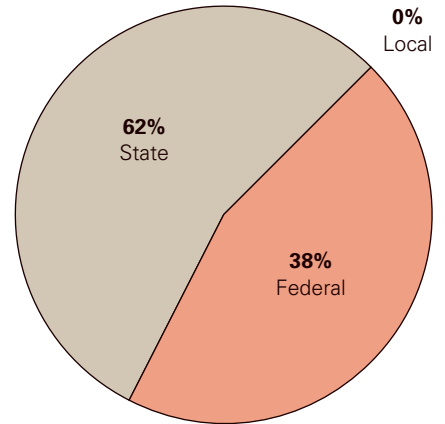
## Spending by Federal Source

\$127,241,464



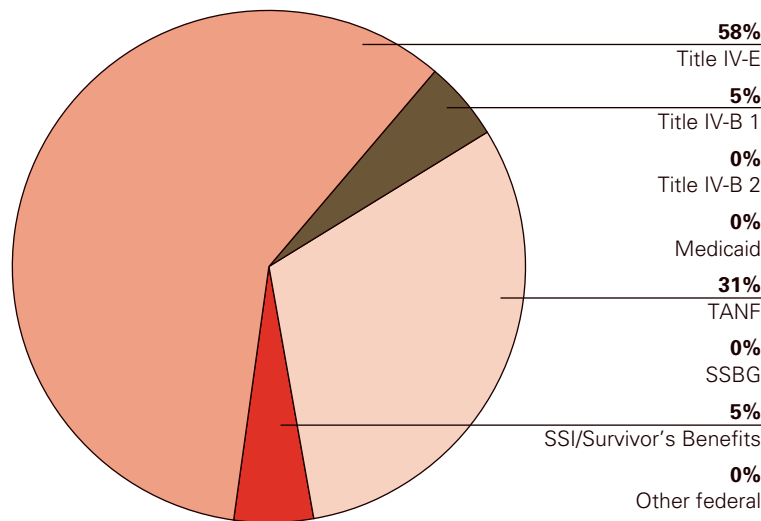
## Spending by Source

\$331,951,216



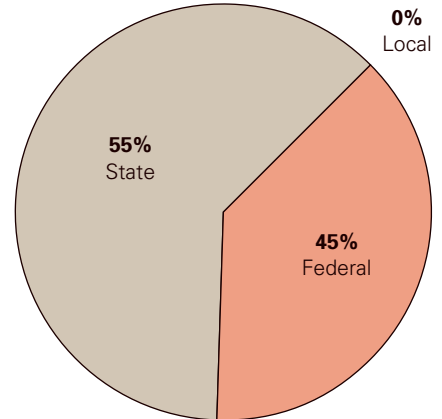
## Spending on Out-of-Home Placements by Federal Source

\$90,283,860



## Spending on Out-of-Home Placements by Source

\$200,068,885





**T**HERE WERE **1,185,674 children** in Louisiana in 2002. 23,493 child abuse and neglect investigations were conducted. 37,825 children were subjects of an investigation or assessment and 7,261 children received post-investigation services (5,317 victims and 1,944 nonvictims).<sup>39</sup>

ON SEPTEMBER 30, 2001, **5,024 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.3 percent Asian, 60.7 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 0.7 percent Hispanic, 36.5 percent white, 1.0 percent two or more races, and 0.5 percent unknown race or ethnicity. Children were in the following settings: 0 percent in pre-adoptive homes, 10 percent in relative foster homes, 60 percent in non-relative foster homes, 8 percent in group homes, 16 percent in institutions, 0 percent in supervised independent living, 1 percent on runaway status, and 4 percent in trial home visits. 1,485 children received independent living services. 72 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,014 children** entered foster care. Of the 3,184 children who exited foster care in 2001, 14.9 percent were adopted, 1.4 percent exited to guardianship, 55.9 percent were reunified with family, and 27.8 percent were discharged with another status. 79 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Louisiana include (national standards in parentheses):

- 1.1 Recurrence: 6.8 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.58 percent (≤ 0.57 percent)
- 3.1 Permanency: 72.2 percent
- 4.1 Time to reunification: 65.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 11.7 percent (≥ 32.0 percent)
- 6.1 Placement stability: 83.3 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 7.7 percent

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	176,324,658	196,869,134	11.65	212,902,862	8.14	205,212,594	-3.61
Federal	116,243,501	114,612,168	-1.40	123,686,346	7.92	121,369,877	-1.87
IV-E	55,022,737	62,927,741	14.37	67,229,872	6.84	58,783,946	-12.56
IV-B	10,005,442	13,432,901	34.26	14,315,763	6.57	12,433,085	-13.15
EA/TANF	4,615,969	0	-100.00	0	0.00	506,569	
SSBG	46,159,211	32,147,523	-30.36	35,586,225	10.70	43,598,021	22.51
Medicaid	0	0	0.00	0	0.00	0	0.00
State	60,081,156	82,256,966	36.91	89,216,515	8.46	83,842,717	-6.02
Local		0		0	0.00	0	0.00
Contracted	not requested	13,740,970		14,032,008	2.12	13,660,487	-2.65

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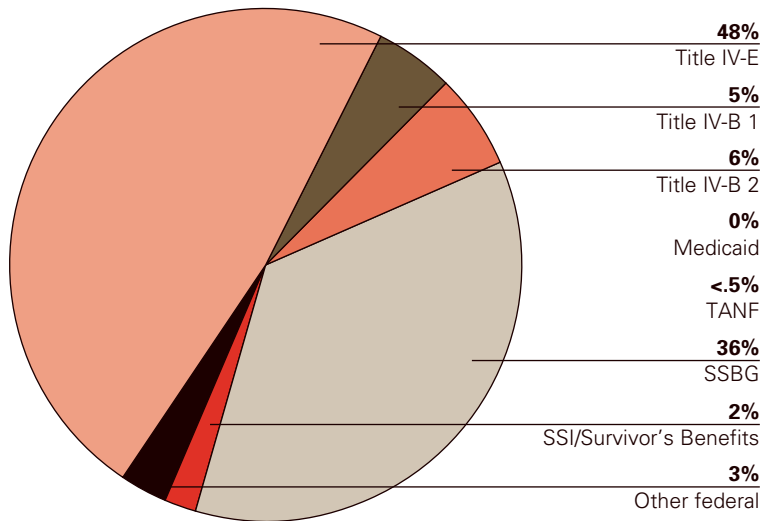
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Louisiana

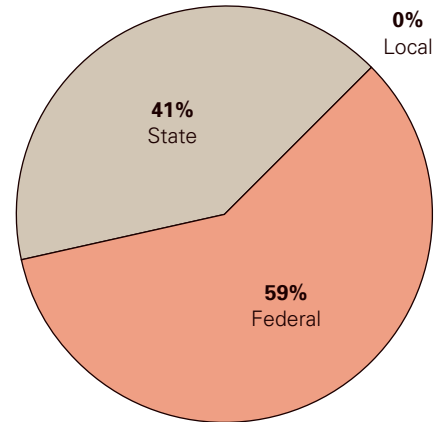
## Spending by Federal Source

\$121,369,877



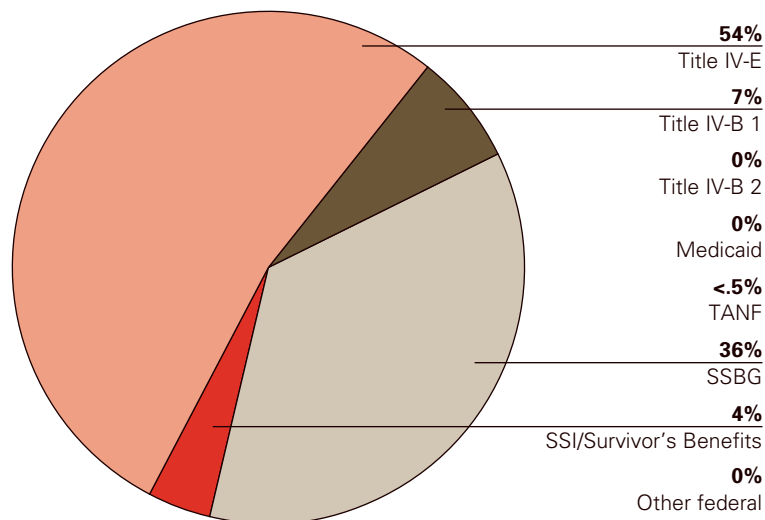
## Spending by Source

\$205,212,594



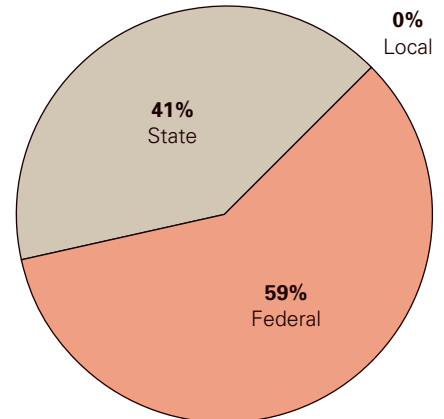
## Spending on Out-of-Home Placements by Federal Source

\$83,858,096



## Spending on Out-of-Home Placements by Source

\$142,721,125





**T**HERE WERE **279,058 children** in Maine in 2002. In that same year, 16,127 referrals were made to child protective services for suspected abuse or neglect (57.8 referrals per 1,000 children in the population). 27.7 percent of these referrals were screened in and 4,474 investigations were conducted. 8,121 children were subjects of an investigation or assessment and 1,406 children received post-investigation services (1,177 victims and 229 nonvictims).

ON SEPTEMBER 30, 2001, **3,226 children** were in foster care. Children in care were 1.1 percent Alaska Native/American Indian, 0.4 percent Asian, 1.8 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 2.2 percent Hispanic, 74.8 percent white, 1.2 percent two or more races, and 18.3 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 4 percent in relative foster homes, 67 percent in non-relative foster homes, 8 percent in group homes, 7 percent in institutions, 5 percent in supervised independent living, 0 percent on runaway status, and 4 percent in trial home visits. 347 children received independent living services. 61–70 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,047 children** entered foster care. Of the 715 children who exited foster care in 2001, 38.9 percent were adopted, 0.3 percent exited to guardianship, 40.3 percent were reunified with family, 3.8 percent were discharged with another status, and 16.8 percent had missing data. 61–70 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Maine include (national standards in parentheses):

- **1.1** Recurrence: 5.7 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.48 percent (≤ 0.57 percent)
- **3.1** Permanency: 79.5 percent
- **4.1** Time to reunification: 54.2 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 11.8 percent (≥ 32.0 percent)
- **6.1** Placement stability: 74.1 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 6.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	72,151,126	61,434,424		121,780,869		143,503,838	
Federal	41,942,212	39,223,412		57,419,678		60,019,217	4.53
IV-E	23,865,879	36,692,287		47,678,928		50,163,202	5.21
IV-B	1,565,652	2,531,125		2,589,600		2,823,880	9.05
EA/TANF	2,775,000	—		3,120,000		3,000,000	–3.85
SSBG	12,625,682	—		839,280		807,000	–3.85
Medicaid	1,110,000	—		1,162,251		1,229,304	5.77
State	30,208,913	22,211,012		64,361,190		83,484,621	
Local		—		0		0	0.00
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

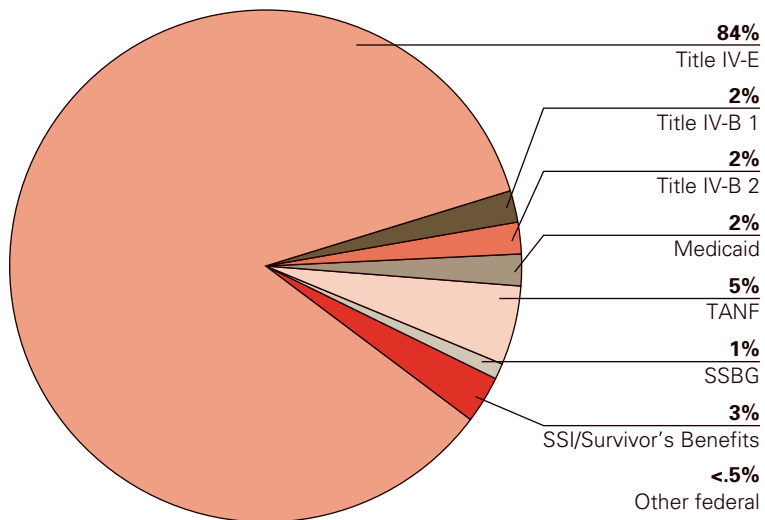
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Did not provide SFY 1998 data. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match. State spending in SFY 2000 is incomplete.

# Maine

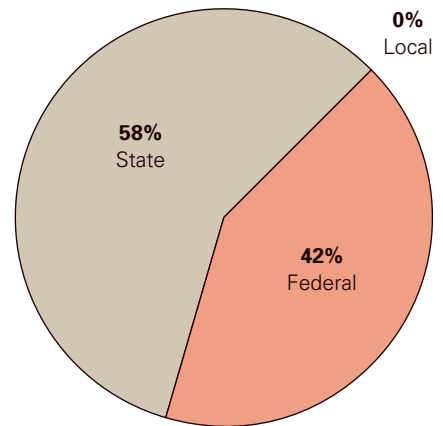
## Spending by Federal Source

\$60,019,217



## Spending by Source

\$143,503,838



Some figures may not be presented because of missing or incomplete data for SFY 2002.







**2,415 Maryland child victims** received post-investigation services.<sup>40</sup>

ON SEPTEMBER 30, 2001, **12,564 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.3 percent Asian, 77.7 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 1.3 percent Hispanic, 19.0 percent white, 0.9 percent two or more races, and 0.7 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 35 percent in relative foster homes, 38 percent in non-relative foster homes, 10 percent in group homes, 3 percent in institutions, 1 percent in supervised independent living, 1 percent on runaway status, and 6 percent in trial home visits. An estimated 1,709 children received independent living services. 67 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,662 children** entered foster care. Of the 3,064 children who exited foster care in 2001, 19.8 percent were adopted, 3.3 percent exited to guardianship, 60.2 percent were reunified with family, 10.4 percent were discharged with another status, and 6.3 percent had missing data. 71 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Maryland include (national standards in parentheses):

- **1.1** Recurrence: not available (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 83.3 percent
- **4.1** Time to reunification: 54.6 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 16.0 percent (≥ 32.0 percent)
- **6.1** Placement stability: 94.9 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 7.3 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	209,674,368	301,050,171		369,747,709	22.82	431,512,479	
Federal	104,652,434	155,355,059		170,563,977	9.79	206,423,022	21.02
IV-E	53,039,772	83,212,759		112,716,782	35.46	124,057,282	10.06
IV-B	8,285,867	7,933,774		7,711,692	–2.80	7,071,196	–8.31
EA/TANF	2,505,176	738,720		21,274,064	2779.85	34,400,539	61.70
SSBG	34,322,310	51,079,263		19,502,099	–61.82	30,755,321	57.70
Medicaid	6,127,288	10,570,874		8,233,870	–22.11	9,308,216	13.05
State	105,021,934	145,695,111		199,183,732	36.71	206,326,533	3.59
Local	—	—		—		18,762,924	
Contracted	not requested	127,344,192		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

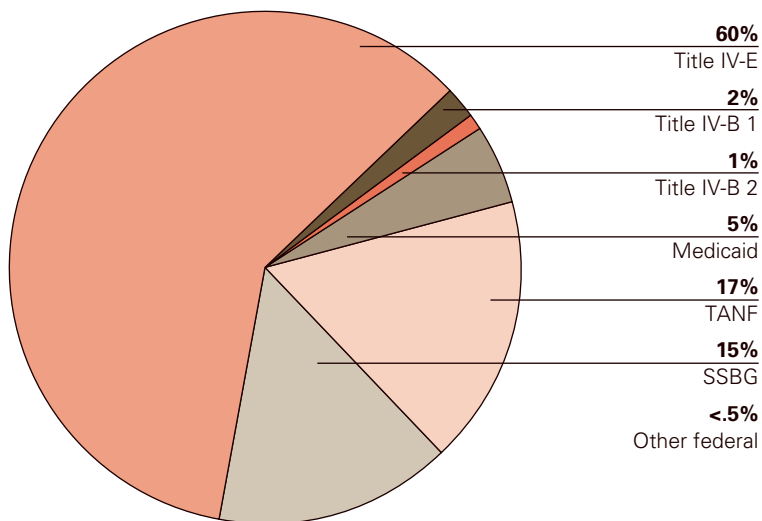
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: SFY 1996 data not comparable to subsequent years.

# Maryland

## Spending by Federal Source

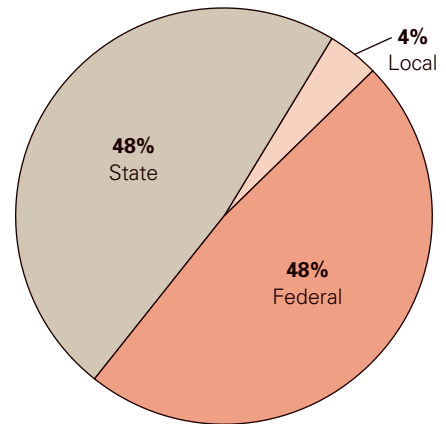
\$206,423,022



*Note:* Maryland was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

\$431,512,479



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **1,463,340 children** in Massachusetts in 2002. In that same year, 61,763 referrals were made to child protective services for suspected abuse or neglect (42.2 referrals per 1,000 children in the population). 62.0 percent of these referrals were screened in and 38,306 investigations were conducted. 62,286 children were subjects of an investigation or assessment and 35,282 children received post-investigation services (28,649 victims and 6,633 nonvictims).

ON SEPTEMBER 30, 2001, **11,568 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 1.7 percent Asian, 16.8 percent black, 19.1 percent Hispanic, 45.2 percent white, 1.1 percent two or more races, and 15.9 percent unknown race or ethnicity.<sup>41</sup> Children were in the following settings: 5 percent in pre-adoptive homes, 17 percent in relative foster homes, 50 percent in non-relative foster homes, 9 percent in group homes, 12 percent in institutions, 3 percent in supervised independent living, 2 percent on run-away status, and 1 percent in trial home visits. An estimated 1,700 children received independent living services.<sup>42</sup>

IN 2001, **7,174 children** entered foster care. Of the 6,636 children who exited foster care in 2001, 12.8 percent were adopted, 4.3 percent exited to guardianship, 59.3 percent were reunified with family, 11.6 percent were discharged with another status, and 12.0 percent had missing data.<sup>43</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Massachusetts include (national standards in parentheses):

- **1.1** Recurrence: 11.1 percent (≤ 6.1 percent)
- **2.1** Incidence: 1.13 percent (≤ 0.57 percent)
- **3.1** Permanency: 76.4 percent
- **4.1** Time to reunification: 75.1 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 19.3 percent (≥ 32.0 percent)
- **6.1** Placement stability: 73.2 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 7.8 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	541,068,842	548,970,843	1.46	546,895,440	–0.38	634,846,929	16.08
Federal	231,768,541	258,041,230	11.34	216,695,768	–16.02	249,648,754	15.21
IV-E	118,698,371	114,723,764	–3.35	83,863,885	–26.90	89,789,754	7.07
IV-B	4,755,036	8,488,463	78.52	9,785,474	15.28	7,362,802	–24.76
EA/TANF	4,329,000	0	–100.00	0	0.00	0	0.00
SSBG	70,757,654	106,826,620	50.98	91,802,433	–14.06	83,526,851	–9.01
Medicaid	18,509,250	19,452,205	5.09	23,348,520	20.03	60,681,838	159.90
State	309,300,301	290,929,613	–5.94	330,199,672	13.50	385,198,175	16.66
Local		—		0		0	0.00
Contracted	not requested	329,519,963		398,125,465	20.82	—	

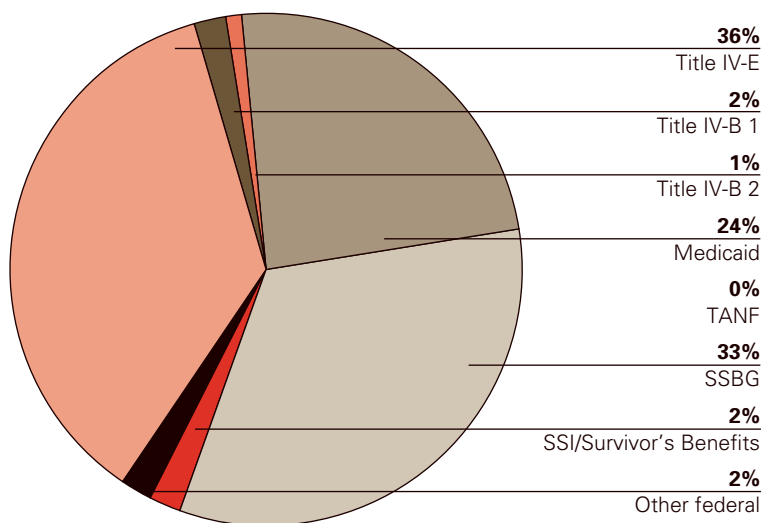
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

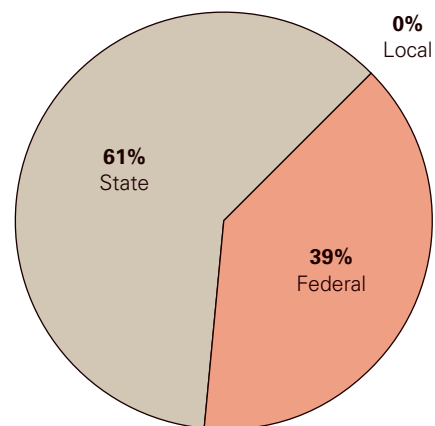
## Spending by Federal Source

\$249,648,754



## Spending by Source

\$634,846,929



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **2,570,264 children** in Michigan in 2002. In that same year, 123,017 referrals were made to child protective services for suspected abuse or neglect (47.9 referrals per 1,000 children in the population). 59.3 percent of these referrals were screened in and 72,999 investigations were conducted. 190,164 children were subjects of an investigation or assessment and 33,141 children received post-investigation services (23,092 victims and 10,049 nonvictims).

ON SEPTEMBER 30, 2001, **20,896 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.0 percent Asian, 5.1 percent black, 0.4 percent Hispanic, 4.9 percent white, 0.3 percent two or more races, and 89.1 percent unknown race or ethnicity.<sup>44</sup> Children were in the following settings: 6 percent in pre-adoptive homes, 32 percent in relative foster homes, 44 percent in non-relative foster homes, 0 percent in group homes, 15 percent in institutions, 2 percent in supervised independent living, 0 percent on run-away status, and 0 percent in trial home visits. An estimated 4,500 children received independent living services. 68 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **12,283 children** entered foster care. Of the 8,312 children who exited foster care in 2001, 22.4 percent were adopted, 2.8 percent exited to guardianship, 56.7 percent were reunified with family, 18.0 percent were discharged with another status, and 0.1 percent had missing data. 88 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Michigan include (national standards in parentheses):

- **1.1** Recurrence: 3.6 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.34 percent (≤ 0.57 percent)
- **3.1** Permanency: 81.9 percent
- **4.1** Time to reunification: 56.6 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 34.5 percent (≥ 32.0 percent)
- **6.1** Placement stability: 87.8 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 4.1 percent

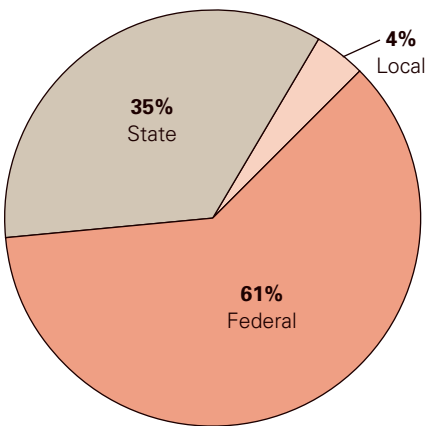
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	428,864,575	618,736,860	44.27	846,920,077	36.88	760,995,545	–10.15
Federal	229,017,863	313,630,812	36.95	518,652,886	65.37	465,605,966	–10.23
IV-E	174,709,814	199,995,480	14.47	235,047,608	17.53	242,590,718	3.21
IV-B	16,047,187	21,092,292	31.44	20,371,396	–3.42	23,910,437	17.37
EA/TANF	12,454,722	41,594,364	233.96	164,212,020	294.79	144,158,583	–12.21
SSBG	—	47,694,312		87,509,570	83.48	46,764,158	
Medicaid	—	—		—		—	
State	199,846,712	255,102,048	27.65	277,465,224	8.77	264,255,435	–4.76
Local	—	50,004,000		50,801,967	1.60	31,134,144	–38.71
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Source

\$760,995,545



Some figures may not be presented because of missing or incomplete data for SFY 2002.







**T**HERE WERE **1,252,125 children** in Minnesota in 2002. In that same year, 33,059 referrals were made to child protective services for suspected abuse or neglect (26.4 referrals per 1,000 children in the population). 53.8 percent of these referrals were screened in and 17,770 investigations were conducted. 26,344 children were subjects of an investigation or assessment and 26,327 children received post-investigation services (9,977 victims and 16,350 nonvictims).

ON SEPTEMBER 30, 2001, **8,167 children** were in foster care. Children in care were 12.3 percent Alaska Native/American Indian, 1.8 percent Asian, 21.1 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 5.9 percent Hispanic, 51.8 percent white, 5.9 percent two or more races, and 1.2 percent unknown race or ethnicity. Children were in the following settings: 6 percent in pre-adoptive homes, 16 percent in relative foster homes, 49 percent in non-relative foster homes, 10 percent in group homes, 19 percent in institutions, 0 percent in supervised independent living, and 0 percent on run-away status.<sup>45</sup> 1,685 children received independent living services. 63 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **10,012 children** entered foster care. Of the 9,269 children who exited foster care in 2001, 6.1 percent were adopted, 1.0 percent exited to guardianship, 81.5 percent were reunified with family, and 11.3 percent were discharged with another status. 82 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Minnesota include (national standards in parentheses):

- **1.1** Recurrence: 5.3 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.24 percent (≤ 0.57 percent)
- **3.1** Permanency: 88.6 percent
- **4.1** Time to reunification: 87.0 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 36.2 percent (≥ 32.0 percent)
- **6.1** Placement stability: 86.2 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 24.4 percent

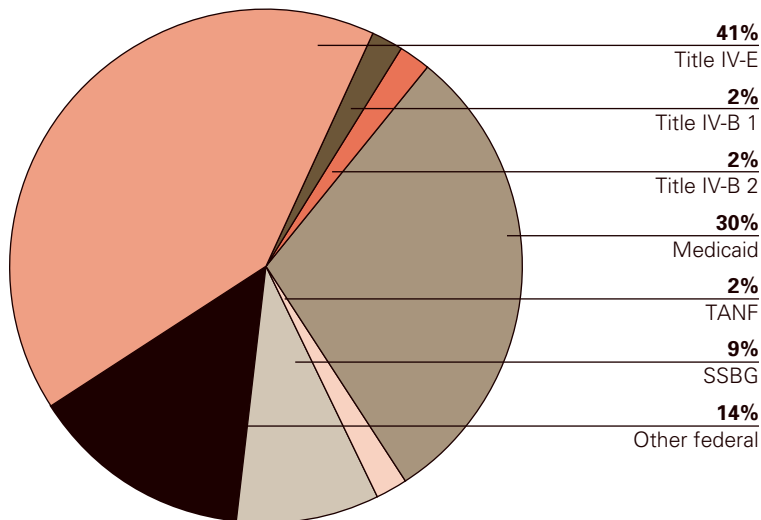
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	382,190,153	471,313,429	23.32	519,386,099	10.20	621,865,000	19.73
Federal	144,518,784	169,494,993	17.28	199,643,334	17.79	226,856,439	13.63
IV-E	58,464,526	76,349,271	30.59	94,042,071	23.17	93,335,925	–0.75
IV-B	6,562,571	7,867,112	19.88	7,699,672	–2.13	8,060,164	4.68
EA/TANF	10,467,732	11,124,000	6.27	6,601,341	–40.66	4,650,000	–29.56
SSBG	16,073,255	18,744,018	16.62	21,706,957	15.81	20,421,359	–5.92
Medicaid	45,773,853	30,181,775	–34.06	40,670,054	34.75	69,116,749	69.95
State	37,692,829	84,233,637	123.47	115,151,481	36.70	134,224,268	16.56
Local	199,978,539	217,584,800	8.80	204,591,285	–5.97	260,784,293	27.47
Contracted	not requested	265,137,200		306,857,882	15.74	315,272,849	2.74

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

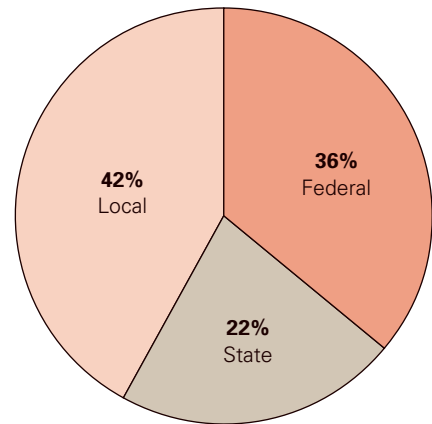
\$226,856,439



*Note:* Minnesota was unable to provide SSI and Survivor's Insurance Benefit expenditures.

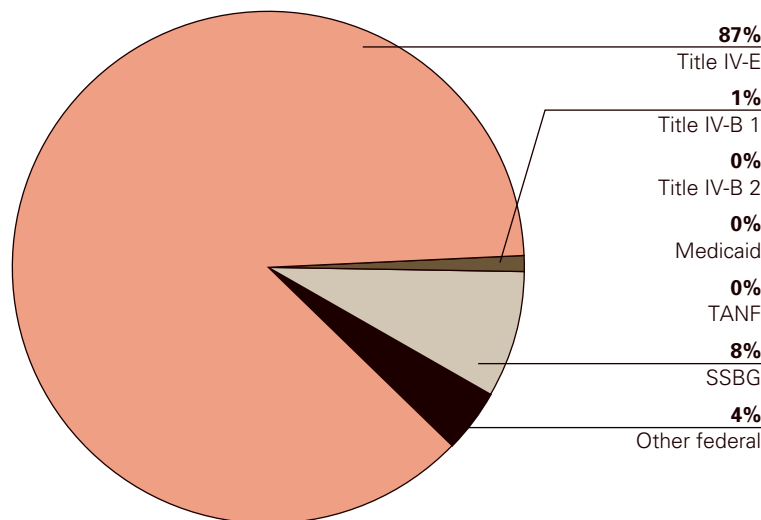
## Spending by Source

\$621,865,000



## Spending on Out-of-Home Placement by Federal Source

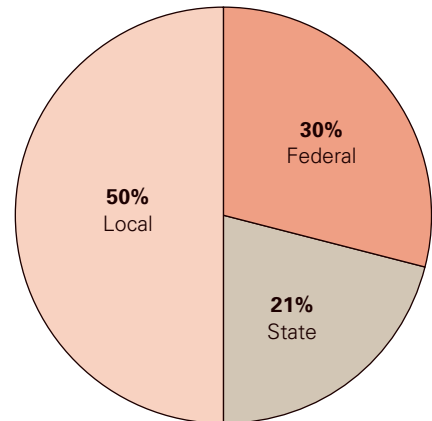
\$86,819,340



*Note:* Minnesota was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending on Out-of-Home Placements by Source

\$293,495,072





**T**HERE WERE **760,747 children** in Mississippi in 2002. In that same year, 16,548 referrals were made to child protective services for suspected abuse or neglect (21.8 referrals per 1,000 children in the population). 70.5 percent of these referrals were screened in and 11,670 investigations were conducted. 18,009 children were subjects of an investigation or assessment and 3,777 children received post-investigation services (1,934 victims and 1,843 nonvictims).

ON SEPTEMBER 30, 2001, **3,261 children** were in foster care. Children in care were 0.0 percent Alaska Native/American Indian, 0.2 percent Asian, 54.2 percent black, 1.4 percent Hispanic, 42.0 percent white, 0.0 percent two or more races, and 2.2 percent unknown race or ethnicity.<sup>46</sup> Children were in the following settings: 2 percent in pre-adoptive homes, 30 percent in relative foster homes, 34 percent in non-relative foster homes, 18 percent in group homes, 8 percent in institutions, 1 percent in supervised independent living, 0 percent on runaway status, and 7 percent in trial home visits. 429 children received independent living services. 23 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,923 children** entered foster care. Of the 1,670 children who exited foster care in 2001, 14.8 percent were adopted, 2.5 percent exited to guardianship, 77.1 percent were reunified with family, 4.5 percent were discharged with another status, and 1.1 percent had missing data. 20 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Mississippi include (national standards in parentheses):

- **1.1** Recurrence: not available (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 94.4 percent
- **4.1** Time to reunification: 69.0 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 16.6 percent (≥ 32.0 percent)
- **6.1** Placement stability: 86.6 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 26.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	54,782,579	53,980,140	–1.46	53,487,240	–0.91	56,899,368	6.38
Federal	36,460,147	38,928,858	6.77	36,890,574	–5.24	34,410,873	–6.72
IV-E	11,125,487	19,441,521	74.75	17,907,845	–7.89	14,919,822	–16.69
IV-B	10,699,544	4,747,286	–55.63	5,859,323	23.42	5,980,733	2.07
EA/TANF	0	—	—	42,518	—	2,816,085	6,523.23
SSBG	14,027,603	12,888,977	–8.12	11,757,752	–8.78	10,297,294	–12.42
Medicaid	0	—	—	—	—	—	—
State	14,702,059	15,051,282	2.38	15,384,170	2.21	21,055,406	36.86
Local	3,620,374	—	—	1,212,495	—	1,433,089	18.19
Contracted	not requested	—	—	1,554,017	—	5,812,056	274.00

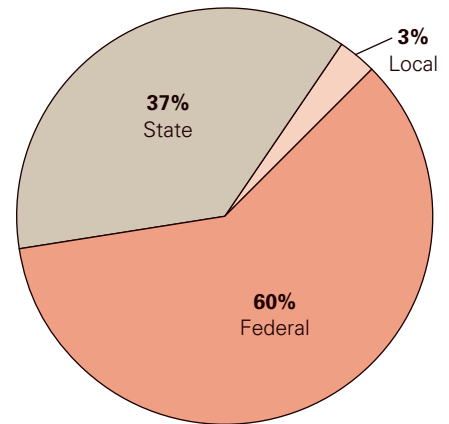
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

# Mississippi

## Spending by Source

\$56,899,368



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **1,397,461 children** in Missouri in 2002. In that same year, 107,113 referrals were made to child protective services for suspected abuse or neglect (76.6 referrals per 1,000 children in the population). 49.6 percent of these referrals were screened in and 53,116 investigations were conducted. 80,653 children were subjects of an investigation or assessment and 67,986 children received post-investigation services (9,133 victims and 58,853 nonvictims).

ON SEPTEMBER 30, 2001, **13,349 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.2 percent Asian, 37.2 percent black, 1.4 percent Hispanic, 60.3 percent white, 0.1 percent two or more races, and 0.6 percent unknown race or ethnicity.<sup>47</sup> Children were in the following settings: 11 percent in pre-adoptive homes, 22 percent in relative foster homes, 38 percent in non-relative foster homes, 1 percent in group homes, 17 percent in institutions, 3 percent in supervised independent living, 1 percent on run-away status, and 6 percent in trial home visits. 2,601 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **7,268 children** entered foster care. Of the 5,749 children who exited foster care in 2001, 19.0 percent were adopted, 7.0 percent exited to guardianship, 59.5 percent were reunified with family, and 14.5 percent were discharged with another status. 61–70 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Missouri include (national standards in parentheses):

- **1.1** Recurrence: 10.3 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.60 percent (≤ 0.57 percent)
- **3.1** Permanency: 85.5 percent
- **4.1** Time to reunification: 65.6 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 29.3 percent (≥ 32.0 percent)
- **6.1** Placement stability: 76.9 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 10.5 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	292,021,698	381,762,758	30.73	499,898,556	30.94	487,278,630	–2.52
Federal	216,200,928	259,567,344	20.06	290,855,427	12.05	302,682,132	4.07
IV-E	56,797,775	89,498,657	57.57	89,097,490	–0.45	85,593,591	–3.93
IV-B	6,739,920	6,550,985	–2.80	12,110,992	84.87	12,893,294	6.46
EA/TANF	51,521,652	30,249,221	–41.29	22,580,504	–25.35	26,638,161	17.97
SSBG	43,666,290	40,599,148	–7.02	33,035,409	–18.63	25,748,485	–22.06
Medicaid	36,512,941	5,112,407		21,584,597	322.20	30,711,483	42.28
State	75,820,770	122,195,414	61.16	208,852,639	70.92	184,434,091	–11.69
Local		0		190,490		162,407	–14.74
Contracted	not requested	—		—		—	

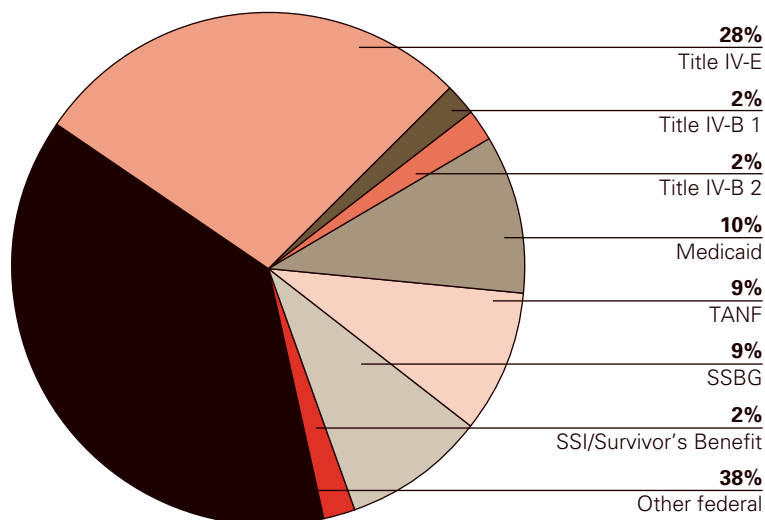
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Medicaid spending in SFY 1996 may have included spending on health care services. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

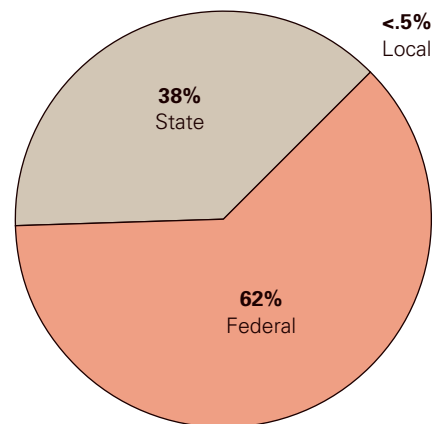
## Spending by Federal Source

\$302,682,132



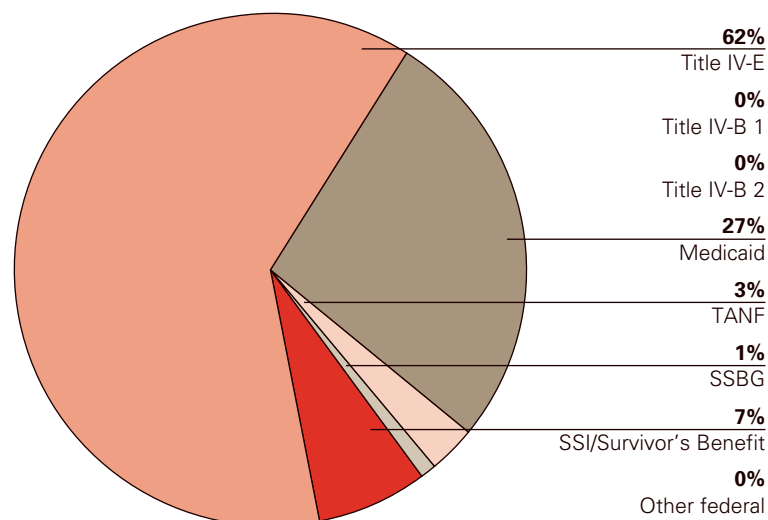
## Spending by Source

\$487,278,630



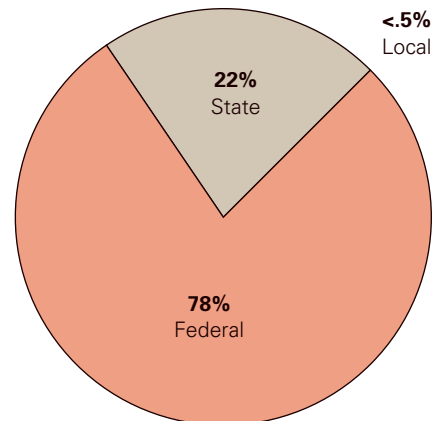
## Spending on Out-of-Home Placements by Federal Source

\$105,585,113



## Spending on Out-of-Home Placements by Source

\$134,927,789







**T**HERE WERE **216,320 children** in Montana in 2002. In that same year, 16,903 referrals were made to child protective services for suspected abuse or neglect (78.1 referrals per 1,000 children in the population). 61.1 percent of these referrals were screened in and 10,336 investigations were conducted. 17,078 children were subjects of an investigation or assessment and 3,110 children received post-investigation services (1,053 victims and 2,057 nonvictims).

ON SEPTEMBER 30, 2001, **2,008 children** were in foster care. Children in care were 32.5 percent Alaska Native/American Indian, 0.2 percent Asian, 1.1 percent black, 3.9 percent Hispanic, 57.5 percent white, 0.3 percent two or more races, and 4.5 percent unknown race or ethnicity.<sup>48</sup> Children were in the following settings: 32 percent in relative foster homes, 54 percent in non-relative foster homes, 11 percent in group homes, and 3 percent in institutions.<sup>49</sup> 41–50 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,506 children** entered foster care. Of the 1,497 children who exited foster care in 2001, 19.6 percent were adopted, 2.9 percent exited to guardianship, 58.6 percent were reunified with family, 9.2 percent were discharged with another status, and 9.8 percent had missing data. 71–80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Montana include (national standards in parentheses):

- **1.1** Recurrence: 10.6 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.19 percent (≤ 0.57 percent)
- **3.1** Permanency: 81.1 percent
- **4.1** Time to reunification: 84.7 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 32.0 percent (≥ 32.0 percent)
- **6.1** Placement stability: 81.3 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 12.7 percent

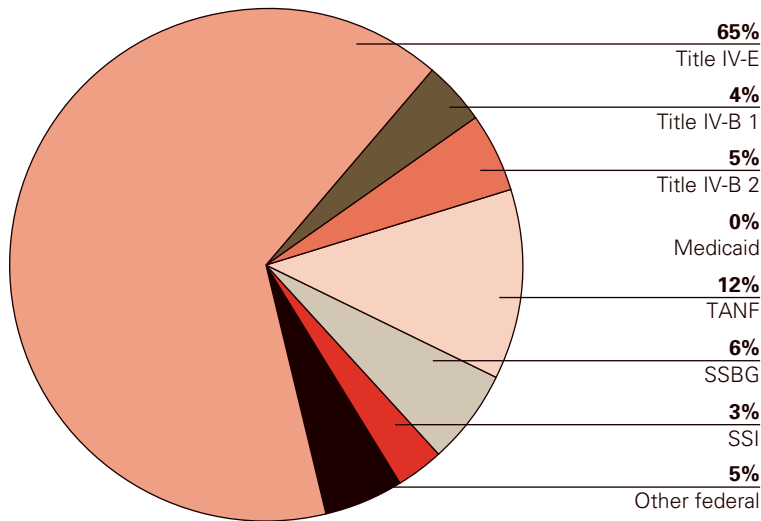
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	32,162,071	39,823,920	23.82	41,445,040	4.07	44,723,037	7.91
Federal	20,566,114	13,694,400	–33.41	19,563,440	42.86	21,764,484	11.25
IV-E	10,825,616	9,768,600	–9.76	13,643,760	39.67	14,087,929	3.26
IV-B	1,358,437	2,165,400	59.40	1,645,280	–24.02	1,832,065	11.35
EA/TANF	2,240,482	1,080,000	–51.80	1,363,440	26.24	2,650,000	94.36
SSBG	24,057	0	–100.00	2,150,720		1,400,000	–34.91
Medicaid	5,915,422	108,000	–98.17	0	–100.00	0	0.00
State	11,595,957	23,931,720	106.38	18,890,560	–21.06	22,958,553	21.53
Local	—	2,197,800		2,991,040	36.09	—	
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

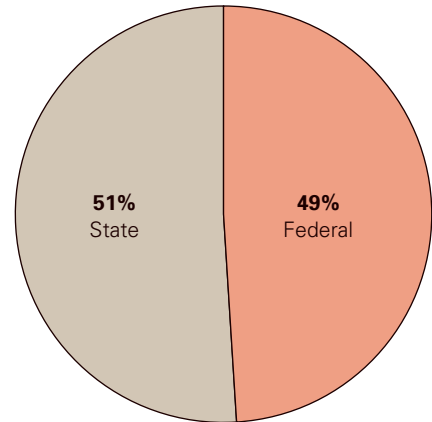
\$21,764,484



*Note:* Montana was unable to provide Survivor's Insurance Benefit spending.

## Spending by Source

\$44,723,037

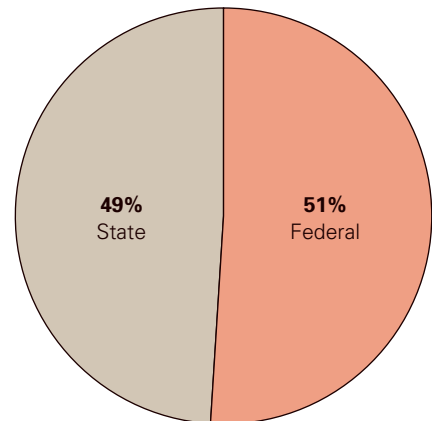


*Note:* Montana was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.

## Spending on Out-of-Home Placements by Source

\$21,872,091



*Note:* Montana was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.



**T**HERE WERE **439,393 children** in Nebraska in 2002. In that same year, 13,863 referrals were made to child protective services for suspected abuse or neglect (31.6 referrals per 1,000 children in the population). 53.8 percent of these referrals were screened in and 7,463 investigations were conducted. 12,262 children were subjects of an investigation or assessment and 3,991 children received post-investigation services (2,198 victims and 1,793 nonvictims).

ON SEPTEMBER 30, 2001, **6,254 children** were in foster care. Children in care were 6.9 percent Alaska Native/American Indian, 0.3 percent Asian, 16.8 percent black, 8.0 percent Hispanic, 66.1 percent white, 0.2 percent two or more races, and 1.6 percent unknown race or ethnicity.<sup>50</sup> Children were in the following settings: 0 percent in pre-adoptive homes, 11 percent in relative foster homes, 38 percent in non-relative foster homes, 5 percent in group homes, 20 percent in institutions, 1 percent in supervised independent living, 2 percent on runaway status, and 23 percent in trial home visits. 973 children received independent living services. 21–30 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,350 children** entered foster care. Of the 2,636 children who exited foster care in 2001, 0.7 percent were adopted, 0.5 percent exited to guardianship, 80.3 percent were reunified with family, 0.2 percent were discharged with another status, and 18.2 percent had missing data. 61–70 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Nebraska include (national standards in parentheses):

- **1.1** Recurrence: 5.5 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.08 percent (≤ 0.57 percent)
- **3.1** Permanency: 81.5 percent
- **4.1** Time to reunification: 40.3 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 5.3 percent (≥ 32.0 percent)
- **6.1** Placement stability: 80.4 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 8.6 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	114,289,989	78,318,262	–31.47	102,832,620	31.30	143,945,744	
Federal	81,021,267	24,018,182	–70.36	30,224,617	25.84	63,422,608	
IV-E	22,524,149	22,147,718	–1.67	28,017,176	26.50	27,797,428	–0.78
IV-B	23,410,590	1,870,464	–92.01	2,207,442	18.02	3,590,060	62.63
EA/TANF	16,025,607	0	–100.00	—	—	0	
SSBG	—	0		—		0	
Medicaid	19,060,920	—		—		30,090,267	
State	33,268,722	54,300,080	63.22	72,608,002	33.72	80,523,136	10.90
Local	—	—		—		0	
Contracted	not requested	44,417,908		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

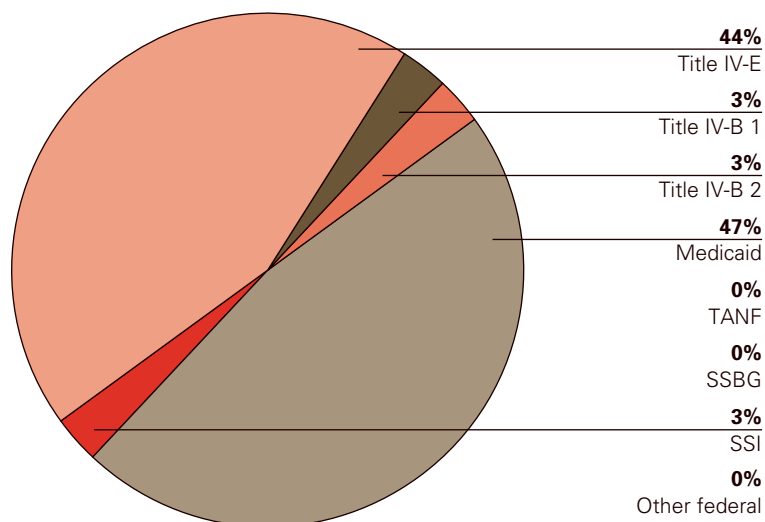
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Nebraska

## Spending by Federal Source

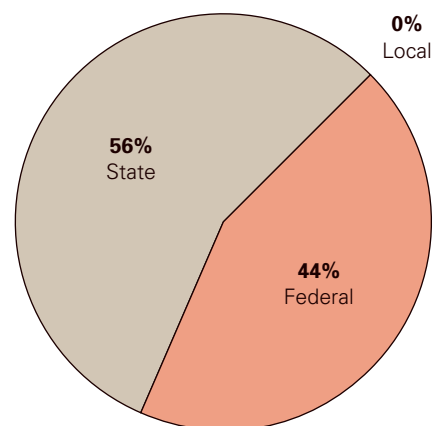
\$63,422,608



*Note:* Nebraska was unable to provide Survivor's Insurance Benefit spending.

## Spending by Source

\$143,945,744



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **572,590 children** in Nevada in 2002. 13,195 child abuse and neglect investigations were conducted. 22,491 children were subjects of an assessment or investigation.<sup>51</sup>

ON SEPTEMBER 30, 2001, **1,789 children** were in foster care. Children in care were 1.0 percent Alaska Native/American Indian, 0.3 percent Asian, 21.7 percent black, 1.3 percent Native Hawaiian/other Pacific Islander, 12.0 percent Hispanic, 52.3 percent white, 3.3 percent two or more races, and 8.0 percent unknown race or ethnicity. Children were in the following settings: 1 percent in pre-adoptive homes, 20 percent in relative foster homes, 69 percent in non-relative foster homes, 5 percent in group homes, 5 percent in institutions, 0 percent on runaway status, and 0 percent in trial home visits.<sup>52</sup> An estimated 338 children received independent living services.<sup>53</sup>

IN 2001, **707 children** entered foster care. Of the 442 children who exited foster care in 2001, 12.0 percent were adopted, 0.5 percent exited to guardianship, 62.0 percent were reunified with family, 15.2 percent were discharged with another status, and 10.4 percent had missing data.<sup>54</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Nevada include (national standards in parentheses):

- **1.1** Recurrence: not available (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 74.5 percent
- **4.1** Time to reunification: 57.7 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 20.8 percent (≥ 32.0 percent)
- **6.1** Placement stability: 70.7 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 13.3 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	48,884,793	45,844,849	–6.22	68,265,051	48.90	78,232,653	14.60
Federal	31,361,758	15,388,788		38,009,240		42,752,577	12.48
IV-E	4,728,200	12,716,699		17,671,065		19,296,286	9.20
IV-B	1,851,845	2,672,090		2,753,412		3,380,306	22.77
EA/TANF	9,296,791	—		2,602,950		3,124,191	20.02
SSBG	9,278,785	—		3,677,946		3,686,487	0.23
Medicaid	6,206,137	—		8,945,540		10,244,697	14.52
State	11,704,083	12,636,075		30,255,811		35,480,076	17.27
Local	5,818,952	—		—		—	
Contracted	not requested	—		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

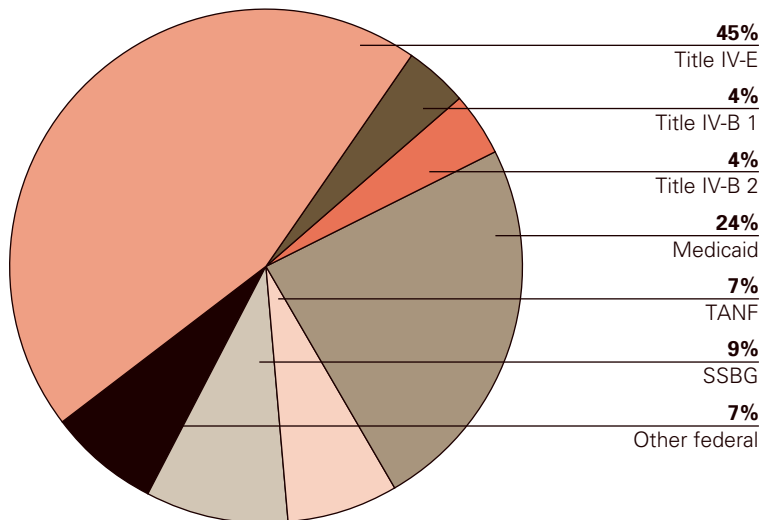
*Notes:* Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

*Limitations:* Only provided total spending in SFY 1998. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match.

# Nevada

## Spending by Federal Source

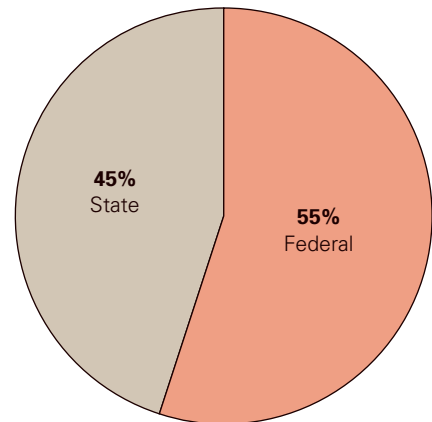
\$42,752,577



*Note:* Nevada was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

\$78,232,653



*Note:* Nevada was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

Some figures may not be presented because of missing or incomplete data for SFY 2002.







**T**HERE WERE **308,371 children** in New Hampshire in 2002. In that same year, 17,315 referrals were made to child protective services for suspected abuse or neglect (56.1 referrals per 1,000 children in the population). 43.4 percent of these referrals were screened in and 7,509 investigations were conducted. 10,564 children were subjects of an investigation or assessment and 10,564 children received post-investigation services (962 victims and 9,602 nonvictims).

ON SEPTEMBER 30, 2001, **1,288 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.2 percent Asian, 3.3 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 5.0 percent Hispanic, 86.0 percent white, 3.8 percent two or more races, and 1.2 percent unknown race or ethnicity. Children were in the following settings: 12 percent in relative foster homes, 66 percent in non-relative foster homes, 21 percent in group homes, 1 percent in institutions, and 0 percent in supervised independent living.<sup>55</sup> 645 children received independent living services. 43 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **534 children** entered foster care. Of the 468 children who exited foster care in 2001, 16.7 percent were adopted, 4.1 percent exited to guardianship, 55.1 percent were reunified with family, 18.8 percent were discharged with another status, and 5.3 percent had missing data. 59 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in New Hampshire include (national standards in parentheses):

- 1.1 Recurrence: 8.3 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.12 percent (≤ 0.57 percent)
- 3.1 Permanency: 75.9 percent
- 4.1 Time to reunification: 48.8 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 5.2 percent (≥ 32.0 percent)
- 6.1 Placement stability: 88.7 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 7.3 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	109,898,687	53,480,100	–51.34	48,507,696	–9.30	58,082,783	19.74
Federal	51,329,419	23,133,248	–54.93	22,885,724	–1.07	27,627,924	20.72
IV-E	23,151,058	13,588,728	–41.30	8,542,818	–37.13	6,741,662	–21.08
IV-B	2,028,932	1,763,082	–13.10	1,827,101	3.63	1,833,232	0.34
EA/TANF	9,644,844	5,196,267	–46.12	1,037,625	–80.03	1,472,349	41.90
SSBG	1,999,907	1,083,525	–45.82	2,128,479	96.44	2,725,340	28.04
Medicaid	14,504,677	0		6,448,508		13,264,122	105.69
State	49,066,686	21,228,224	–56.74	19,466,075	–8.30	23,015,011	18.23
Local	9,502,581	9,118,628	–4.04	6,155,896	–32.49	7,439,848	20.86
Contracted	not requested	—		—		52,410,818	

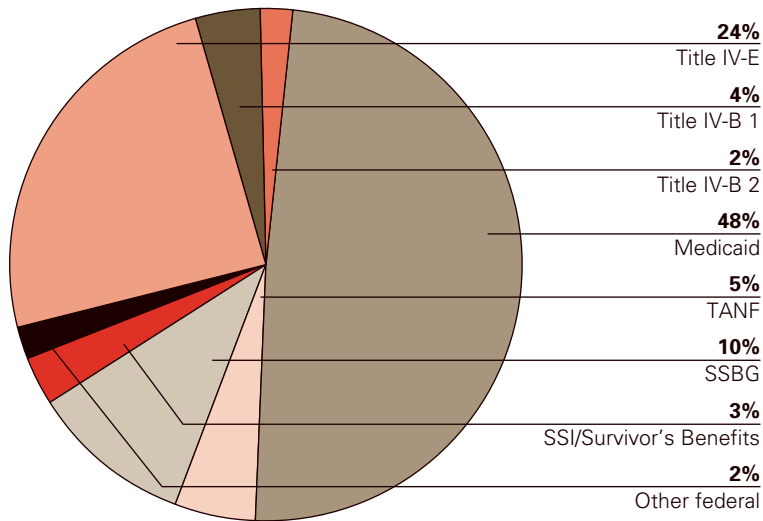
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Medicaid spending in SFY 1996 may have included spending on health care services.

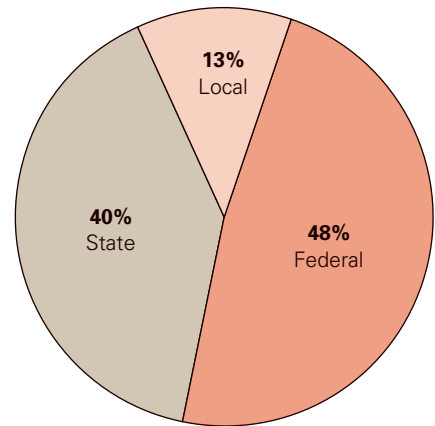
## Spending by Federal Source

\$27,627,924



## Spending by Source

\$58,082,783



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **2,127,391 children** in New Jersey in 2002. In that same year, 39,148 referrals were made to child protective services for suspected abuse or neglect (18.4 referrals per 1,000 children in the population). 100.0 percent of these referrals were screened in and 39,148 investigations were conducted. 70,786 children were subjects of an investigation or assessment and 48,746 children received post-investigation services (7,272 victims and 41,474 nonvictims).

ON SEPTEMBER 30, 2001, **10,666 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.3 percent Asian, 62.2 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 6.8 percent Hispanic, 23.1 percent white, 1.4 percent two or more races, and 6.0 percent unknown race or ethnicity. Children were in the following settings: 3 percent in pre-adoptive homes, 14 percent in relative foster homes, 59 percent in non-relative foster homes, 9 percent in group homes, 13 percent in institutions, and 1 percent in supervised independent living.<sup>56</sup> An estimated 600 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **5,433 children** entered foster care. Of the 4,607 children who exited foster care in 2001, 19.6 percent were adopted, 69.8 percent were reunified with family, 10.4 percent were discharged with another status, and 0.2 percent had missing data.<sup>57</sup> 51–60 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in New Jersey include (national standards in parentheses):

- **1.1** Recurrence: 6.4 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.78 percent (≤ 0.57 percent)
- **3.1** Permanency: 89.4 percent
- **4.1** Time to reunification: 59.5 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 16.4 percent (≥ 32.0 percent)
- **6.1** Placement stability: 86.2 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 10.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	482,466,521	396,469,671	–17.82	465,204,122	17.34	460,389,862	–1.03
Federal	162,646,661	170,503,703	4.83	206,085,290	20.87	189,600,334	–8.00
IV-E	50,738,220	61,634,307	21.48	81,033,566	31.47	87,405,658	7.86
IV-B	8,978,276	9,923,040	10.52	11,577,280	16.67	13,523,675	16.81
EA/TANF	12,369,675	23,160,600	87.24	7,113,600	–69.29	8,340,000	17.24
SSBG	52,585,140	32,443,200	–38.30	57,804,240	78.17	47,920,000	–17.10
Medicaid	34,549,838	37,385,280	8.21	43,072,640	15.21	28,511,958	–33.80
State	319,819,860	225,965,968	–29.35	259,118,832	14.67	270,789,528	4.50
Local		—		0		0	0.00
Contracted	not requested	215,311,769		197,904,720	–8.08	154,093,055	–22.14

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

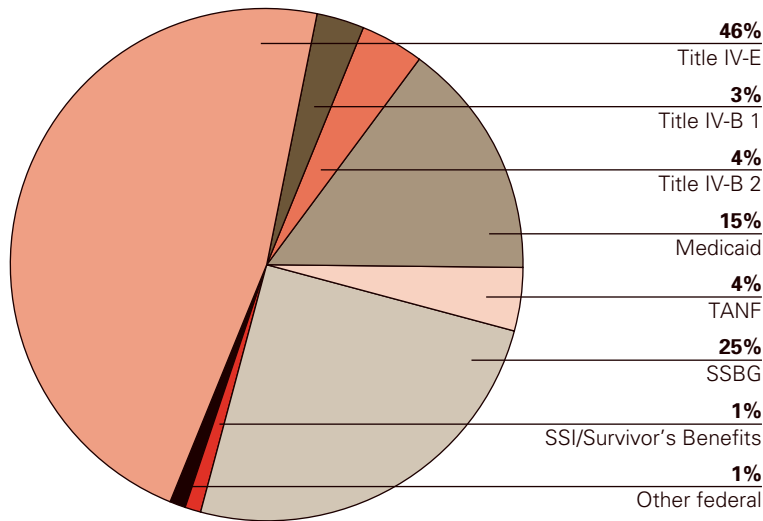
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# New Jersey

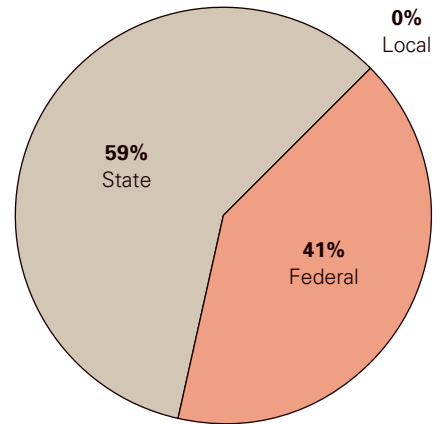
## Spending by Federal Source

\$189,600,334



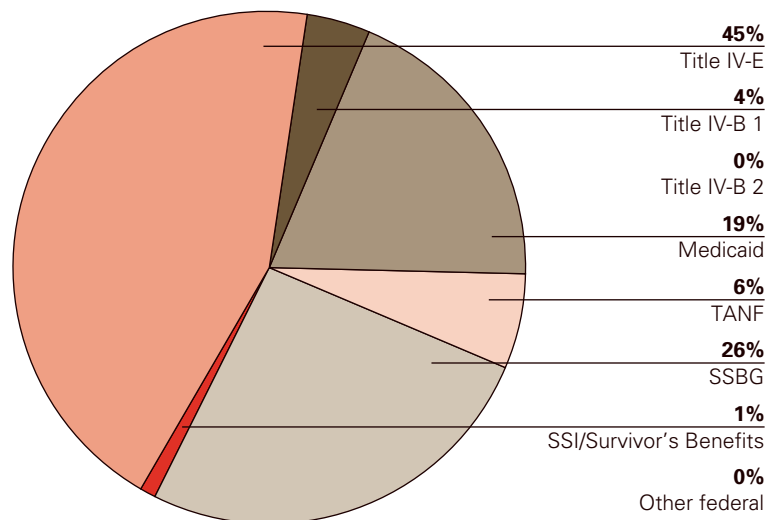
## Spending by Source

\$460,389,862



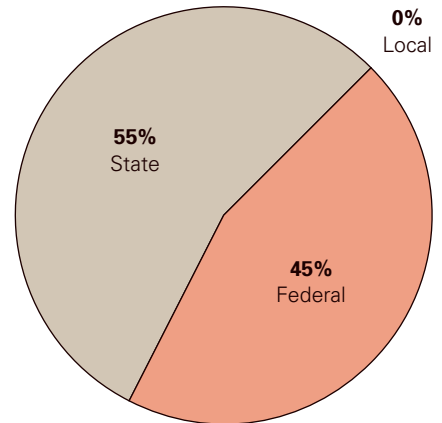
## Spending on Out-of-Home Placements by Federal Source

\$147,425,725



## Spending on Out-of-Home Placements by Source

\$324,953,631





**T**HERE WERE **500,506 children** in New Mexico in 2002. In that same year, 23,881 referrals were made to child protective services for suspected abuse or neglect (47.7 referrals per 1,000 children in the population). 58.6 percent of these referrals were screened in and 13,995 investigations were conducted. 22,997 children were subjects of an investigation or assessment and 22,997 children received post-investigation services (6,273 victims and 16,724 nonvictims).

ON SEPTEMBER 30, 2001, **1,757 children** were in foster care. Children in care were 9.2 percent Alaska Native/American Indian, 0.1 percent Asian, 6.9 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 54.5 percent Hispanic, 26.6 percent white, 2.2 percent two or more races, and 0.5 percent unknown race or ethnicity. Children were in the following settings: 13 percent in pre-adoptive homes, 18 percent in relative foster homes, 53 percent in non-relative foster homes, 4 percent in group homes, 7 percent in institutions, and 4 percent in supervised independent living.<sup>58</sup> 418 children received independent living services. 73 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,887 children** entered foster care. Of the 1,754 children who exited foster care in 2001, 15.7 percent were adopted, 2.5 percent exited to guardianship, 73.1 percent were reunified with family, 7.6 percent were discharged with another status, and 1.0 percent had missing data. 73 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in New Mexico include (national standards in parentheses):

- 1.1 Recurrence: 7.8 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.06 percent (≤ 0.57 percent)
- 3.1 Permanency: 91.3 percent
- 4.1 Time to reunification: 90.1 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 26.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 88.0 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 18.8 percent

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	37,176,643	69,283,961		66,198,598	-4.45	77,273,580	16.73
Federal	30,024,441	42,358,373	41.08	41,209,478	-2.71	43,862,816	6.44
IV-E	7,694,339	19,217,346	149.76	25,157,628	30.91	25,336,344	0.71
IV-B	4,629,587	3,953,934	-14.59	2,945,618	-25.50	4,197,000	42.48
EA/TANF	5,033,850	0	-100.00	0	0.00	551,056	
SSBG	6,786,439	6,690,046	-1.42	3,666,719	-45.19	3,760,916	2.57
Medicaid	5,550,000	8,823,528	58.98	8,336,631	-5.52	8,275,800	-0.73
State	7,152,202	26,925,588		24,989,120	-7.19	33,410,764	33.70
Local		0		0	0.00	0	0.00
Contracted	not requested	5,564,052		5,742,984	3.22	7,665,000	33.47

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

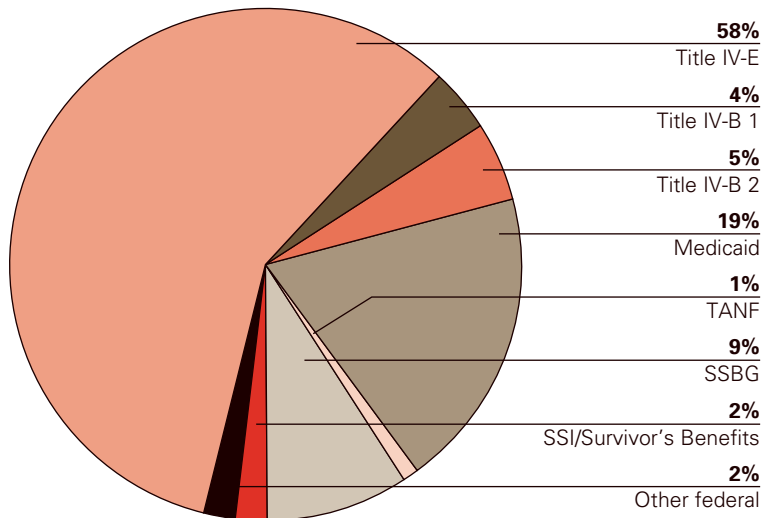
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: State spending in SFY 1996 is incomplete. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# New Mexico

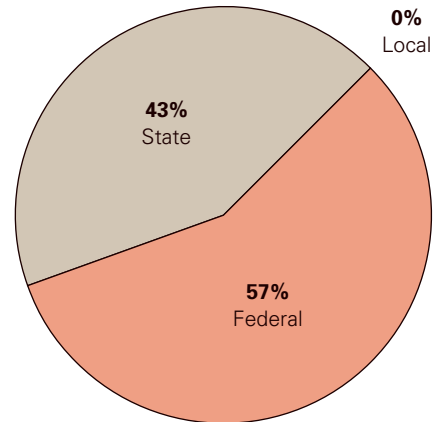
## Spending by Federal Source

\$43,862,816



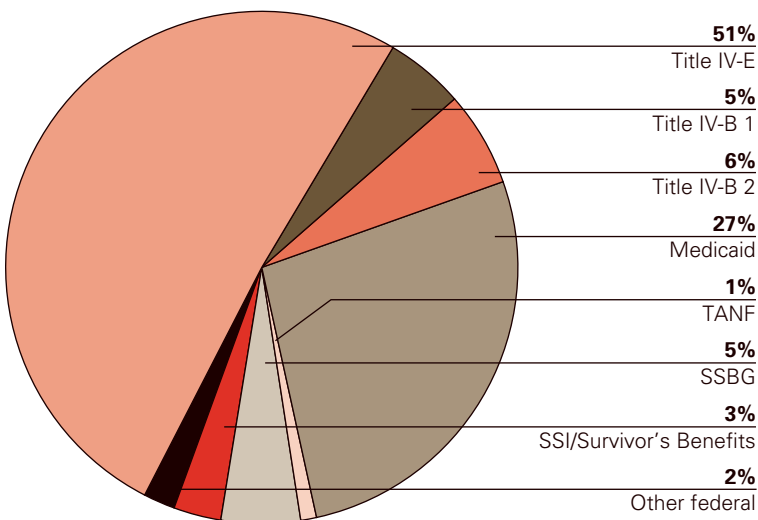
## Spending by Source

\$77,273,580



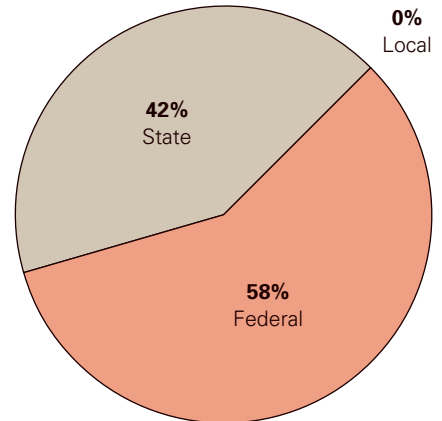
## Spending on Out-of-Home Placements by Federal Source

\$30,792,455



## Spending on Out-of-Home Placements by Source

\$53,220,599







**T**HERE WERE **4,613,251 children** in New York in 2002. 155,678 child abuse and neglect investigations were conducted. 262,643 children were the subjects of an investigation or assessment.<sup>59</sup>

ON SEPTEMBER 30, 2001, **43,365 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.4 percent Asian, 45.7 percent black, 16.5 percent Hispanic, 16.6 percent white, and 20.5 percent unknown race or ethnicity.<sup>60</sup> Children were in the following settings: 0 percent in pre-adoptive homes, 21 percent in relative foster homes, 54 percent in non-relative foster homes, 3 percent in group homes, 17 percent in institutions, 0 percent in supervised independent living, and 5 percent in trial home visits.<sup>61</sup> An estimated 7,000 children received independent living services. 61–70 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **15,135 children** entered foster care. Of the 18,703 children who exited foster care in 2001, 21.0 percent were adopted, 65.1 percent were reunified with family, 11.7 percent were discharged with another status, and 2.2 percent had missing data.<sup>62</sup> Over 80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in New York include (national standards in parentheses):

- **1.1** Recurrence: 14.1 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.98 percent (≤ 0.57 percent)
- **3.1** Permanency: 86.1 percent
- **4.1** Time to reunification: 48.9 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 5.8 percent (≥ 32.0 percent)
- **6.1** Placement stability: 91.6 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 8.7 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	1,892,132,980	1,602,900,816		2,294,447,167		2,552,961,000	11.27
Federal	1,107,546,130	673,976,230		1,375,087,167		1,386,157,000	0.81
IV-E	758,819,279	657,973,627		595,605,920		631,433,000	6.02
IV-B	23,538,719	16,002,603		15,113,280		14,229,000	–5.85
EA/TANF	60,312,821	—		446,160,000		515,395,000	15.52
SSBG	206,532,795	—		309,920,000		222,000,000	–28.37
Medicaid	54,723,000	—		0		0	0.00
State	562,586,850	644,463,284		615,680,000		704,094,000	14.36
Local	222,000,000	—		303,680,000		462,710,000	52.37
Contracted	not requested	—		—		—	

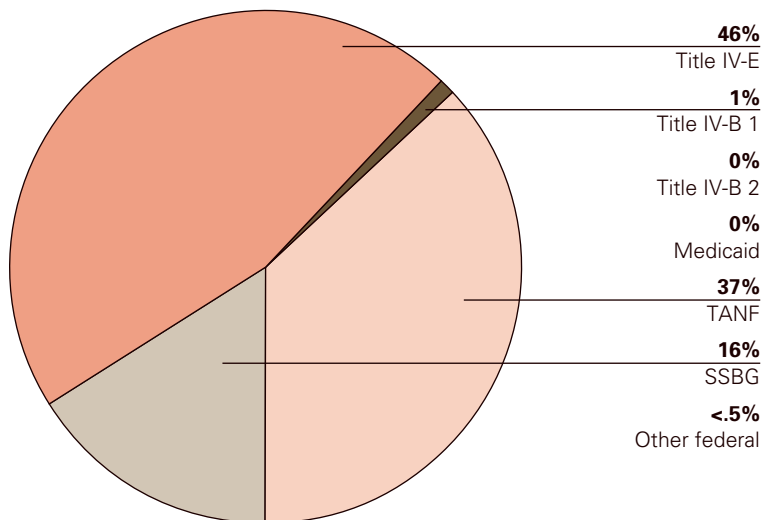
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

*Notes:* Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

*Limitations:* Total spending in SFY 1998 taken from the 1998 Monitoring and Analysis Profiles, which excludes local, TANF, SSBG, Medicaid, and other federal spending. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match. State spending in SFY 2000 is incomplete.

## Spending by Federal Source

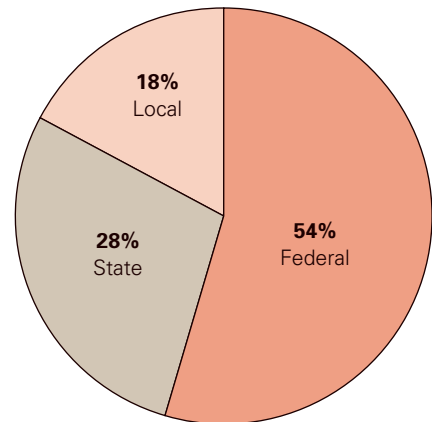
\$1,386,157,000



*Note:* New York was unable to provide SSI and Survivor's Insurance Benefit expenditures.

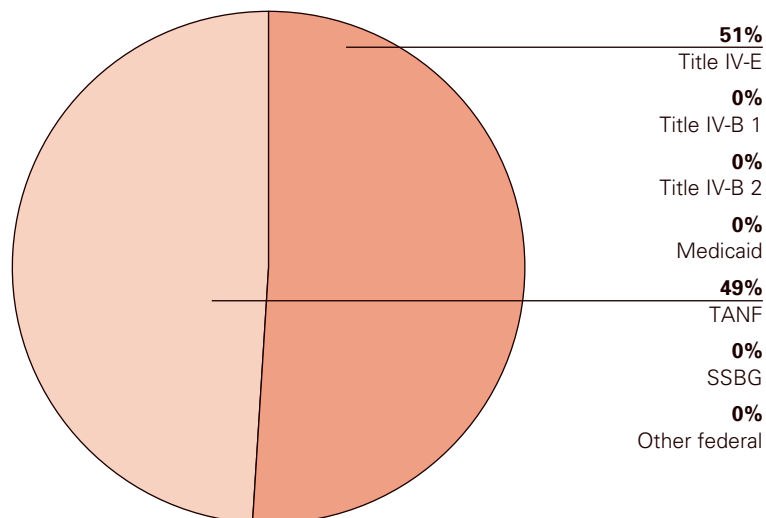
## Spending by Source

\$2,552,961,000



## Spending on Out-of-Home Placements by Federal Source

\$850,217,000



*Note:* New York was unable to provide SSI and Survivor's Insurance Benefit expenditures.

Some figures may not be presented because of missing or incomplete data for SFY 2002.



**T**HERE WERE **2,068,840 children** in North Carolina in 2002. 63,747 child abuse and neglect investigations were conducted. 127,702 children were subjects of an investigation or assessment and 20,288 child victims received post-investigation services.<sup>63</sup>

ON SEPTEMBER 30, 2001, **10,130 children** were in foster care. Children in care were 2.0 percent Alaska Native/American Indian, 0.3 percent Asian, 46.8 percent black, 0.2 percent Native Hawaiian/other Pacific Islander, 6.2 percent Hispanic, 42.9 percent white, 1.4 percent two or more races, and 0.2 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 18 percent in relative foster homes, 46 percent in non-relative foster homes, 9 percent in group homes, 9 percent in institutions, 0 percent in supervised independent living, 4 percent on runaway status, and 8 percent in trial home visits. 2,500 children received independent living services. 61–70 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **5,301 children** entered foster care. Of the 5,239 children who exited foster care in 2001, 25.3 percent were adopted, 9.6 percent exited to guardianship, 56.0 percent were reunified with family, and 9.1 percent were discharged with another status.<sup>64</sup>

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in North Carolina include (national standards in parentheses):

- 1.1 Recurrence: 8.5 percent (≤ 6.1 percent)
- 2.1 Incidence: 1.11 percent (≤ 0.57 percent)
- 3.1 Permanency: 90.9 percent
- 4.1 Time to reunification: 60.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 29.6 percent (≥ 32.0 percent)
- 6.1 Placement stability: 59.5 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 6.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	179,991,173	212,359,673	17.98	289,083,692	36.13	314,207,149	8.69
Federal	93,000,432	102,544,658	10.26	183,451,860	78.90	204,357,182	11.40
IV-E	47,688,153	67,962,404	42.51	73,675,685	8.41	71,827,809	–2.51
IV-B	12,281,244	6,268,541	–48.96	15,062,248	140.28	17,952,000	19.19
EA/TANF	29,905,197	17,949,451	–39.98	—	—	3,204,644	—
SSBG	3,125,838	10,117,077	223.66	—	—	—	—
Medicaid	0	1,675	—	—	—	—	—
State	39,428,300	50,840,165	28.94	44,439,872	–12.59	45,134,431	1.56
Local	47,562,441	58,974,850	23.99	61,191,960	3.76	64,715,536	5.76
Contracted	not requested	15,545,542	—	—	—	—	—

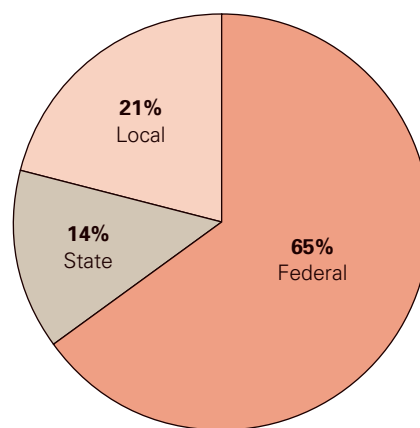
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Total federal spending in SFY 2000 and 2002 was provided by North Carolina.

## Spending by Source

\$314,207,149



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **146,812 children** in North Dakota in 2002. In that same year, 6,221 referrals were made to child protective services for suspected abuse or neglect (42.4 referrals per 1,000 children in the population). 66.1 percent of these referrals were screened in and 4,109 investigations were conducted. 7,089 children were subjects of an investigation or assessment.<sup>65</sup>

ON SEPTEMBER 30, 2001, **1,167 children** were in foster care. Children in care were 31.5 percent Alaska Native/American Indian, 0.9 percent Asian, 2.8 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 2.7 percent Hispanic, 59.4 percent white, 2.4 percent two or more races, and 0.1 percent unknown race or ethnicity. Children were in the following settings: 8 percent in pre-adoptive homes, 14 percent in relative foster homes, 48 percent in non-relative foster homes, 4 percent in group homes, 26 percent in institutions, and 0 percent on runaway status.<sup>66</sup> 511 children received independent living services. 54 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,013 children** entered foster care. Of the 828 children who exited foster care in 2001, 10.6 percent were adopted, 0.2 percent exited to guardianship, 60.5 percent were reunified with family, 24.5 percent were discharged with another status, and 4.1 percent had missing data. 71–80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in North Dakota include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 71.3 percent
- 4.1 Time to reunification: 80.8 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 36.4 percent (≥ 32.0 percent)
- 6.1 Placement stability: 81.2 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 7.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	30,909,472	23,172,852		31,267,268		32,237,497	3.10
Federal	19,947,312	13,574,907		24,885,875		25,271,693	1.55
IV-E	10,406,809	12,384,783		8,588,481		9,957,507	15.94
IV-B	951,431	1,190,123		647,913		1,173,690	81.15
EA/TANF	4,942,170	—		9,392,076		7,495,328	–20.20
SSBG	336,926	—		1,605,073		1,508,077	–6.04
Medicaid	2,251,516	—		3,659,479		5,137,091	40.38
State	10,597,287	9,597,945		4,957,035		5,599,471	12.96
Local	364,874	—		1,424,356		1,366,333	–4.07
Contracted	not requested	—		1,207,952		32,237,497	2,568.77

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

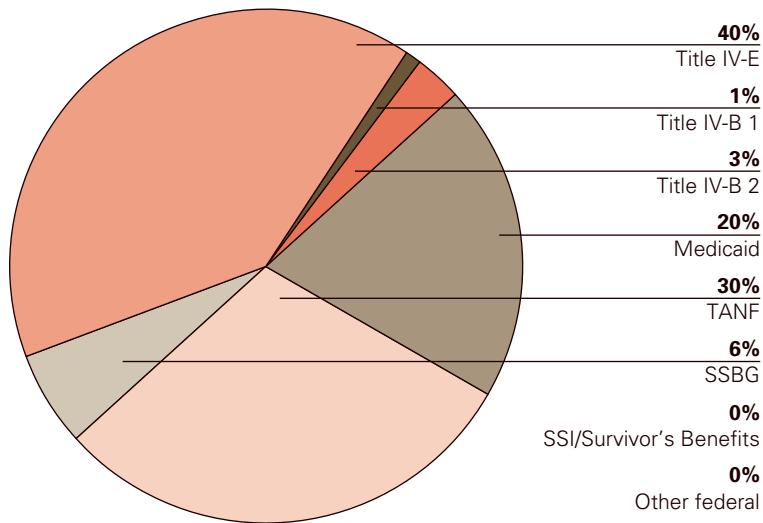
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Did not provide SFY 1998 data. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match.

# North Dakota

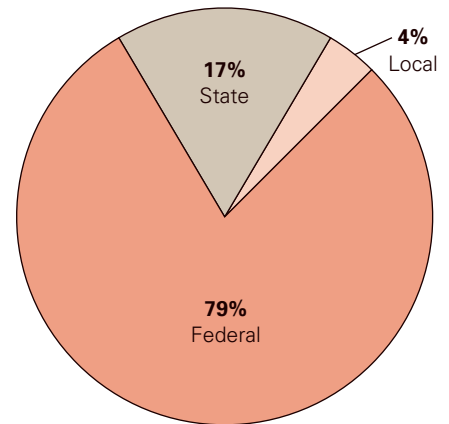
## Spending by Federal Source

\$25,271,693



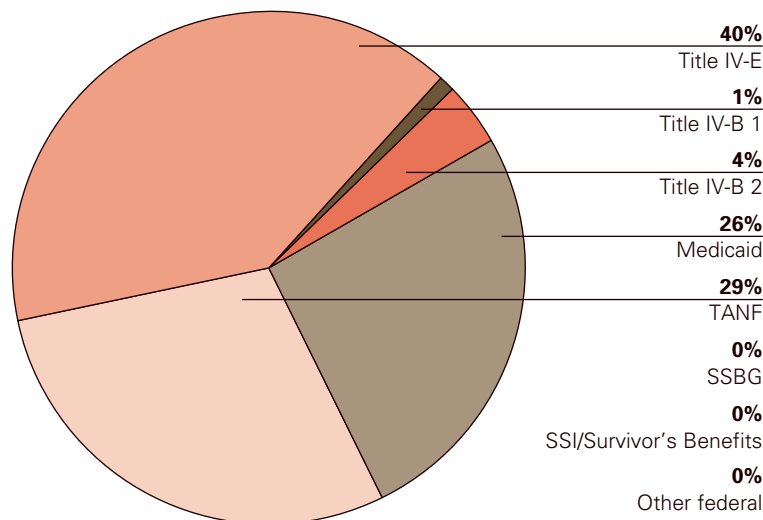
## Spending by Source

\$32,237,497



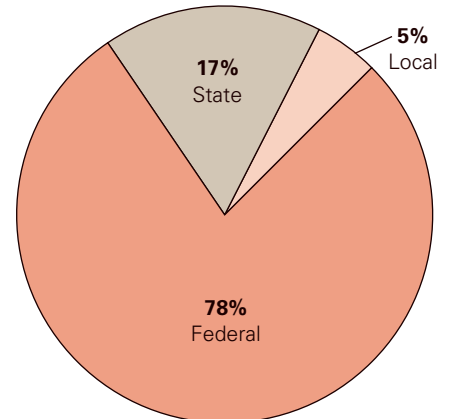
## Spending on Out-of-Home Placements by Federal Source

\$19,074,521



## Spending on Out-of-Home Placements by Source

\$24,478,034







**T**HERE WERE **2,879,927 children** in Ohio in 2002. 68,236 child abuse and neglect investigations were conducted. 110,495 children were subjects of an investigation or assessment and 13,152 victims and 6,565 nonvictims received post-investigation services.<sup>67</sup>

ON SEPTEMBER 30, 2001, **21,584 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.1 percent Asian, 47.4 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 2.7 percent Hispanic, 44.1 percent white, 4.3 percent two or more races, and 1.2 percent unknown race or ethnicity. Children were in the following settings: 4 percent in pre-adoptive homes, 18 percent in relative foster homes, 59 percent in non-relative foster homes, 4 percent in group homes, 9 percent in institutions, 1 percent in supervised independent living, 3 percent on runaway status, and 2 percent in trial home visits. 7,066 children received independent living services. 79 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **16,157 children** entered foster care. Of the 14,136 children who exited foster care in 2001, 13.9 percent were adopted, 3.9 percent exited to guardianship, 62.5 percent were reunified with family, 8.0 percent were discharged with another status, and 11.7 percent had missing data. 93 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Ohio include (national standards in parentheses):

- 1.1 Recurrence: 8.2 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.13 percent (≤ 0.57 percent)
- 3.1 Permanency: 80.3 percent
- 4.1 Time to reunification: 74.2 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 25.7 percent (≥ 32.0 percent)
- 6.1 Placement stability: 86.0 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 4.0 percent

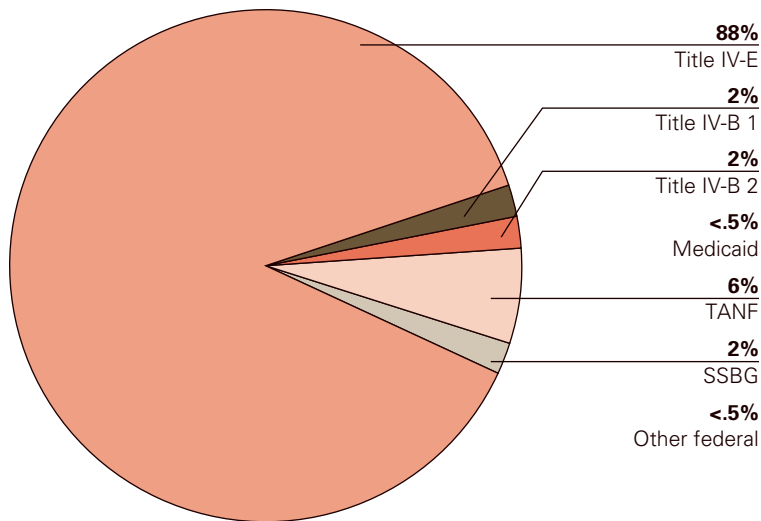
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	530,516,046	662,308,759	24.84	842,475,714	27.20	860,302,907	2.12
Federal	264,647,344	311,164,256	17.58	363,887,447	16.94	429,794,881	18.11
IV-E	200,397,228	255,796,218	27.64	315,001,093	23.15	378,472,533	20.15
IV-B	15,027,484	15,295,460	1.78	23,082,568	50.91	16,719,280	–27.57
EA/TANF	0	—	—	—	—	24,684,395	—
SSBG	49,222,633	38,029,538	–22.74	24,082,590	–36.67	6,717,019	–72.11
Medicaid	0	1,426,143	—	1,100,129	–22.86	1,454,163	32.18
State	70,160,426	93,559,094	33.35	108,853,419	16.35	102,283,752	–6.04
Local	195,708,276	257,585,409	31.62	369,734,848	43.54	328,224,274	–11.23
Contracted	not requested	—	—	—	—	—	—

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

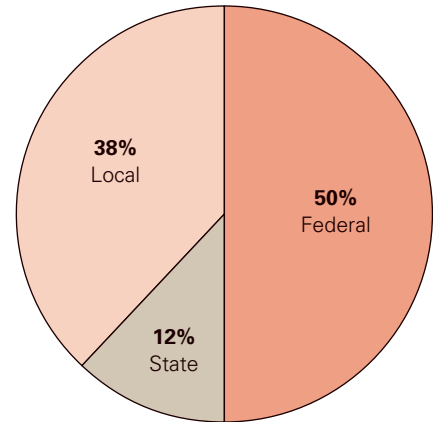
\$429,794,881



*Note:* Ohio was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

\$860,302,907



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **873,560 children** in Oklahoma in 2002. In that same year, 58,962 referrals were made to child protective services for suspected abuse or neglect (67.5 referrals per 1,000 children in the population). 67.1 percent of these referrals were screened in and 39,592 investigations were conducted. 68,971 children were subjects of an investigation or assessment and 39,675 children received post-investigation services (9,101 victims and 30,574 nonvictims).

ON SEPTEMBER 30, 2001, **8,674 children** were in foster care. Children in care were 13.2 percent Alaska Native/American Indian, 0.1 percent Asian, 19.3 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 5.7 percent Hispanic, 49.0 percent white, 12.4 percent two or more races, and 0.3 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 29 percent in relative foster homes, 55 percent in non-relative foster homes, 8 percent in group homes, 3 percent in institutions, 0 percent in supervised independent living, and 1 percent on runaway status.<sup>68</sup> 65 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **6,487 children** entered foster care. Of the 5,864 children who exited foster care in 2001, 16.4 percent were adopted, 4.6 percent exited to guardianship, 69.9 percent were reunified with family, 8.1 percent were discharged with another status, and 1.1 percent had missing data. 63 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Oklahoma include (national standards in parentheses):

- 1.1 Recurrence: 9.8 percent (≤ 6.1 percent)
- 2.1 Incidence: 1.40 percent (≤ 0.57 percent)
- 3.1 Permanency: 90.9 percent
- 4.1 Time to reunification: 78.6 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 25.4 percent (≥ 32.0 percent)
- 6.1 Placement stability: 73.8 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 16.3 percent

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	118,664,492	123,494,638	4.07	192,658,825	56.01	195,095,580	1.26
Federal	61,435,112	59,954,265	-2.41	123,605,928	106.17	125,228,618	1.31
IV-E	18,457,022	14,351,076	-22.25	52,728,732	267.42	47,498,021	-9.92
IV-B	21,750,450	8,905,577	-59.06	6,602,736	-25.86	6,201,997	-6.07
EA/TANF	3,330,000	—	—	4,658,808	—	13,054,004	180.20
SSBG	14,802,960	16,031,158	8.30	22,272,093	38.93	21,189,667	-4.86
Medicaid	2,414,250	18,136,440	651.22	30,255,715	66.82	29,062,178	-3.94
State	57,229,380	63,540,373	11.03	69,052,897	8.68	69,866,962	1.18
Local	—	0	—	0	0.00	0	0.00
Contracted	not requested	68,937,607	—	—	—	—	—

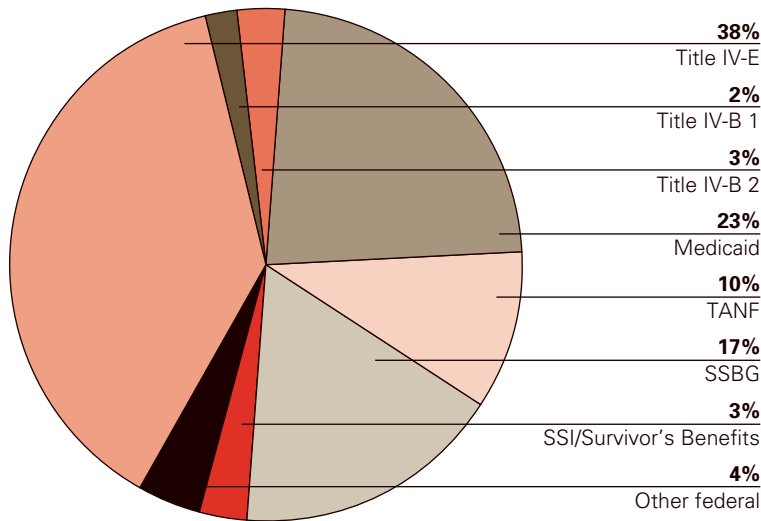
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

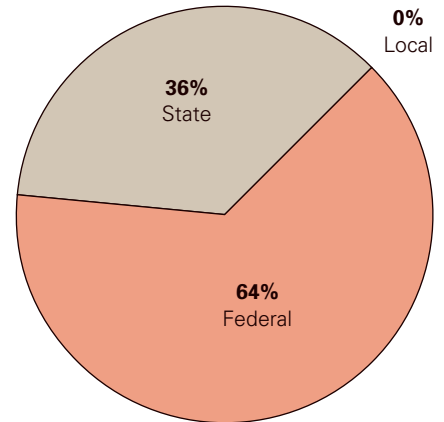
## Spending by Federal Source

\$125,228,618



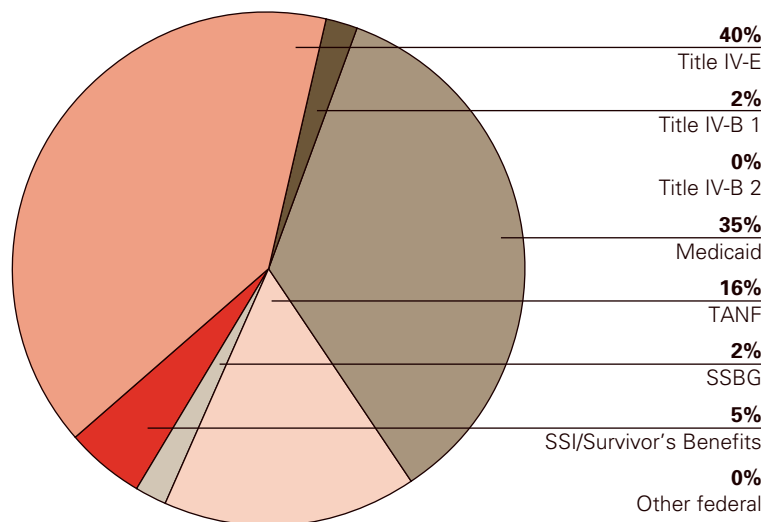
## Spending by Source

\$195,095,580



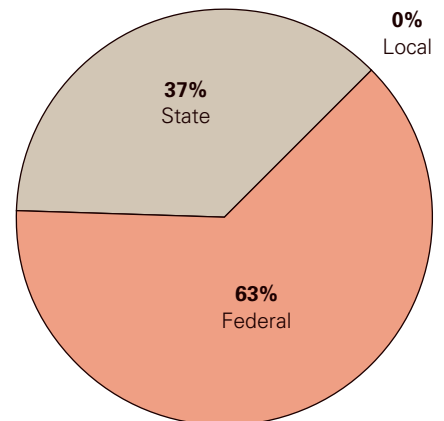
## Spending on Out-of-Home Placements by Federal Source

\$81,287,042



## Spending on Out-of-Home Placements by Source

\$129,375,182





**T**HERE WERE **855,107 children** in Oregon in 2002. In that same year, 40,225 referrals were made to child protective services for suspected abuse or neglect (47.1 referrals per 1,000 children in the population). 44.1 percent of these referrals were screened in and 17,763 investigations were conducted. 27,913 children were subjects of an investigation or assessment and 4,447 victims received post-investigation services.

ON SEPTEMBER 30, 2001, **8,966 children** were in foster care. Children in care were 5.5 percent Alaska Native/American Indian, 0.5 percent Asian, 9.4 percent black, 0.3 percent Native Hawaiian/other Pacific Islander, 8.5 percent Hispanic, 61.3 percent white, 0.4 percent two or more races, and 14.2 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 20 percent in relative foster homes, 49 percent in non-relative foster homes, 1 percent in group homes, 7 percent in institutions, 0 percent in supervised independent living, 5 percent on run-away status, and 13 percent in trial home visits. 851 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **4,537 children** entered foster care. Of the 4,587 children who exited foster care in 2001, 23.4 percent were adopted, 5.5 percent exited to guardianship, 58.3 percent were reunified with family, 7.5 percent were discharged with another status, and 5.3 percent had missing data. 71–80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Oregon include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 87.2 percent
- 4.1 Time to reunification: 62.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 12.4 percent (≥ 32.0 percent)
- 6.1 Placement stability: 88.3 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 3.9 percent

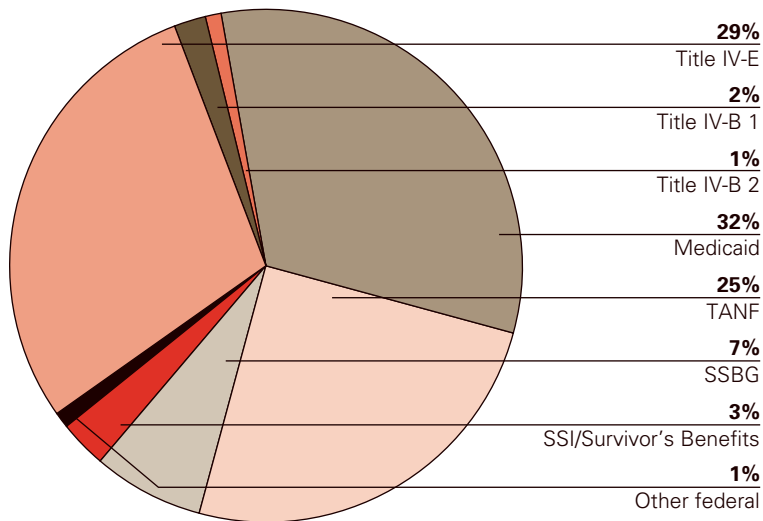
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	269,574,068	218,998,751	–18.76	267,089,710	21.96	259,147,279	–2.97
Federal	106,629,577	125,955,526	18.12	155,544,731	23.49	174,773,370	12.36
IV-E	35,253,091	34,262,310	–2.81	47,159,557	37.64	50,795,095	7.71
IV-B	3,651,608	5,970,642	63.51	5,787,489	–3.07	5,668,926	–2.05
EA/TANF	20,788,558	21,997,278	5.81	34,497,895	56.83	43,537,134	26.20
SSBG	17,710,735	20,464,514	15.55	15,701,520	–23.27	12,603,810	–19.73
Medicaid	28,936,199	37,485,330	29.54	49,025,262	30.79	55,276,966	12.75
State	162,944,491	93,043,225	–42.90	111,544,980	19.89	79,102,409	–29.08
Local	—	—		—		5,271,500	
Contracted	not requested	106,724,017		118,070,515	10.63	27,971,581	–76.31

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

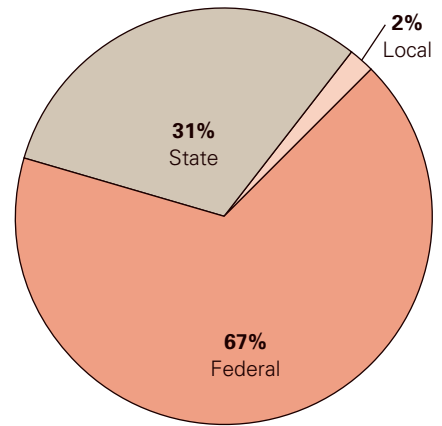
## Spending by Federal Source

\$174,773,370



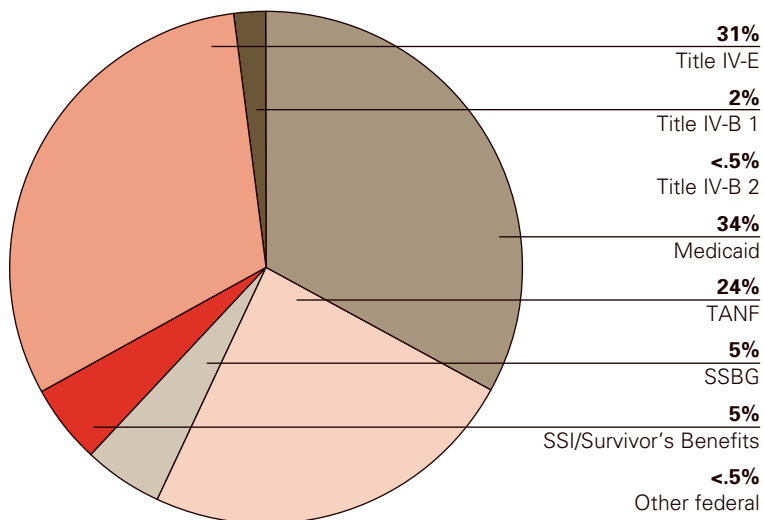
## Spending by Source

\$259,147,279



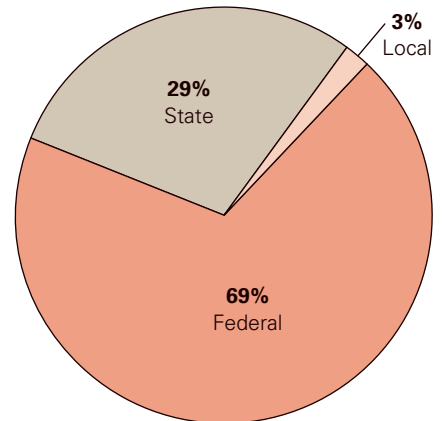
## Spending on Out-of-Home Placements by Federal Source

\$102,878,748



## Spending on Out-of-Home Placements by Source

\$149,754,575







**T**HERE WERE **2,863,452 children** in Pennsylvania in 2002. In that same year, 36,733 referrals were made to child protective services for suspected abuse or neglect (12.8 referrals per 1,000 children in the population). 66.2 percent of these referrals were screened in and 24,330 investigations were conducted. 24,330 children were subjects of an investigation or assessment and 5,047 victims and 19,265 nonvictims received post-investigation services.

ON SEPTEMBER 30, 2001, **21,237 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.4 percent Asian, 50.6 percent black, 9.2 percent Hispanic, 39.2 percent white, 0.1 percent two or more races, and 0.3 percent unknown race or ethnicity.<sup>69</sup> Children were in the following settings: 2 percent in pre-adoptive homes, 18 percent in relative foster homes, 51 percent in non-relative foster homes, 11 percent in group homes, 16 percent in institutions, 1 percent in supervised independent living, 0 percent on run-away status, and 1 percent in trial home visits. 3,827 children received independent living services. 71–80 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **12,420 children** entered foster care. Of the 11,730 children who exited foster care in 2001, 14.9 percent were adopted, 1.3 percent exited to guardianship, 67.8 percent were reunified with family, 15.8 percent were discharged with another status, and 0.2 percent had missing data. Over 80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Pennsylvania include (national standards in parentheses):

- **1.1** Recurrence: 2.8 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.24 percent (≤ 0.57 percent)
- **3.1** Permanency: 84.0 percent
- **4.1** Time to reunification: 69.3 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 18.9 percent (≥ 32.0 percent)
- **6.1** Placement stability: 85.2 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 12.5 percent

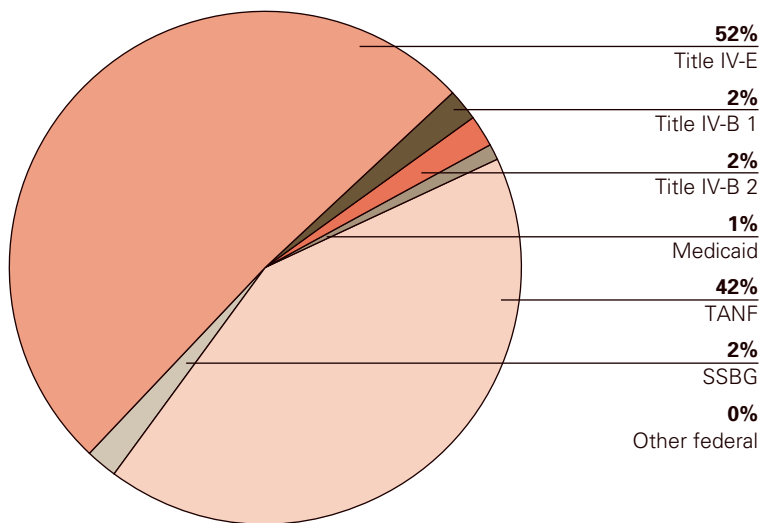
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	1,100,085,480	1,117,905,516	1.62	1,292,518,007	15.62	1,281,310,642	–0.87
Federal	495,248,700	479,742,589	–3.13	604,740,836	26.06	614,835,766	1.67
IV-E	246,373,380	323,651,753	31.37	339,311,385	4.84	319,357,487	–5.88
IV-B	22,412,010	10,806,686	–51.78	9,782,523	–9.48	21,633,000	121.14
EA/TANF	203,756,040	130,008,407	–36.19	242,074,260	86.20	260,529,023	7.62
SSBG	10,125,420	11,976,274	18.28	10,440,125	–12.83	10,040,179	–3.83
Medicaid	2,194,470	2,290,955	4.40	2,817,514	22.98	3,276,077	16.28
State	411,594,660	445,397,053	8.21	501,686,378	12.64	471,845,003	–5.95
Local	193,242,120	192,765,874	–0.25	186,090,793	–3.46	194,629,873	4.59
Contracted	not requested	—	—	—	—	737,522,406	—

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

## Spending by Federal Source

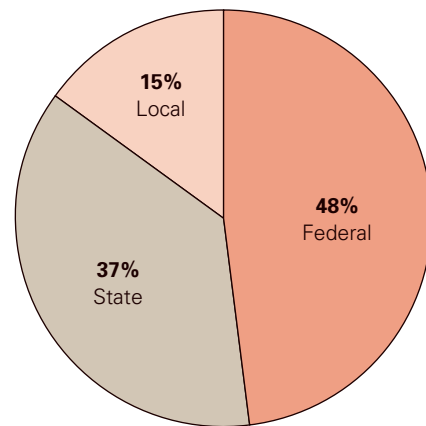
\$614,835,766



*Note:* Pennsylvania was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending by Source

\$1,281,310,642



Some figures may not be presented because of missing or incomplete data for SFY 2002.





THERE WERE **239,248 children** in Rhode Island in 2002. In that same year, 13,262 referrals were made to child protective services for suspected abuse or neglect (55.4 referrals per 1,000 children in the population). 54.4 percent of these referrals were screened in and 7,211 investigations were conducted. 10,772 children were subjects of an investigation or assessment and 3,402 children received post-investigation services (1,703 victims and 1,699 nonvictims).

ON SEPTEMBER 30, 2001, **2,414 children** were in foster care. Children in care were 1.3 percent Alaska Native/American Indian, 1.6 percent Asian, 20.5 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 15.6 percent Hispanic, 57.7 percent white, 1.5 percent two or more races, and 1.8 percent unknown race or ethnicity. Children were in the following settings: 2 percent in pre-adoptive homes, 20 percent in relative foster homes, 31 percent in non-relative foster homes, 37 percent in group homes, 1 percent in institutions, 4 percent in supervised independent living, and 5 percent on runaway status.<sup>70</sup> 350 children received independent living services. 40 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,493 children** entered foster care. Of the 1,227 children who exited foster care in 2001, 13.8 percent were adopted, 2.9 percent exited to guardianship, 68.8 percent were reunified with family, 13.7 percent were discharged with another status, and 0.9 percent had missing data. 58 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Rhode Island include (national standards in parentheses):

- 1.1 Recurrence: 11.0 percent (≤ 6.1 percent)
- 2.1 Incidence: 1.62 percent (≤ 0.57 percent)
- 3.1 Permanency: 85.5 percent
- 4.1 Time to reunification: 68.8 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 43.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 78.8 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 19.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	102,580,417	164,800,181		196,777,049	19.40	166,940,105	–15.16
Federal	49,385,936	68,262,610	38.22	79,774,739	16.86	78,080,105	–2.12
IV-E	14,232,551	18,943,852	33.10	18,369,654	–3.03	19,782,067	7.69
IV-B	1,142,729	1,299,221	13.69	2,104,783	62.00	2,730,411	29.72
EA/TANF	5,059,196	8,594,590	69.88	8,285,281	–3.60	8,005,085	–3.38
SSBG	0	0	0.00	0	0.00	0	0.00
Medicaid	28,951,460	34,404,359	18.83	4,487,464	29.31	41,345,820	–7.06
State	53,194,481	96,537,571		117,002,310	21.20	88,860,000	–24.05
Local		0		0	0.00	0	0.00
Contracted	not requested	72,824,132		—		87,922,000	

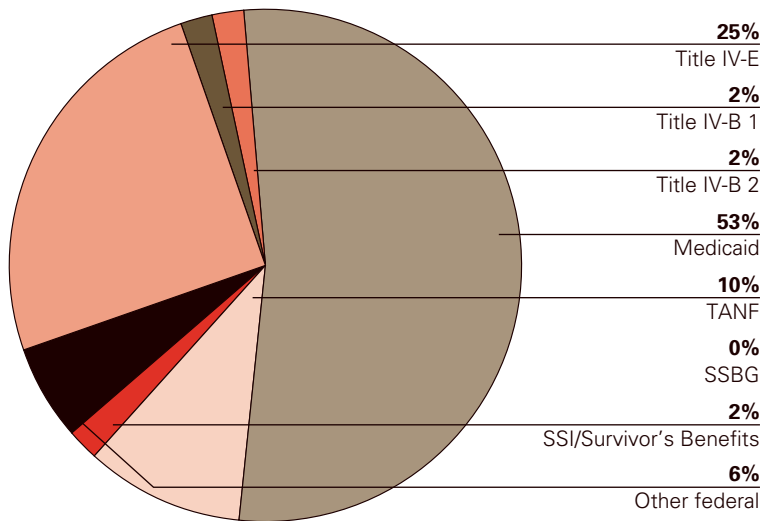
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: State spending in SFY 1996 includes some federal funds. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

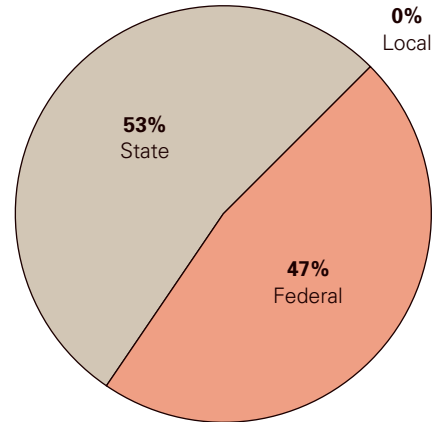
## Spending by Federal Source

\$78,080,105

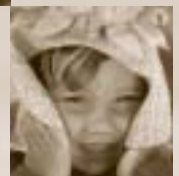


## Spending by Source

\$166,940,105



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **979,163 children** in South Carolina in 2002. In that same year, 25,804 referrals were made to child protective services for suspected abuse or neglect (26.4 referrals per 1,000 children in the population). 72.0 percent of these referrals were screened in and 18,579 investigations were conducted. 30,937 children were subjects of an investigation or assessment and 15,235 children received post-investigation services (8,844 victims and 6,391 nonvictims).

ON SEPTEMBER 30, 2001, **4,774 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.2 percent Asian, 60.1 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 1.5 percent Hispanic, 37.5 percent white, and 0.5 percent two or more races.<sup>71</sup> Children were in the following settings: 6 percent in pre-adoptive homes, 5 percent in relative foster homes, 62 percent in non-relative foster homes, 5 percent in group homes, 17 percent in institutions, 1 percent in supervised independent living, 2 percent on runaway status, and 1 percent in trial home visits. 1,600 children received independent living services. 62 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,405 children** entered foster care. Of the 3,107 children who exited foster care in 2001, 13.1 percent were adopted, 1.0 percent exited to guardianship, 73.9 percent were reunified with family, 8.9 percent were discharged with another status, and 3.1 percent had missing data. 69 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in South Carolina include (national standards in parentheses):

- **1.1** Recurrence: 3.4 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.51 percent (≤ 0.57 percent)
- **3.1** Permanency: 88.0 percent
- **4.1** Time to reunification: 82.1 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 13.9 percent (≥ 32.0 percent)
- **6.1** Placement stability: 76.0 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 20.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	174,073,433	183,170,349	5.23	202,542,940	10.58	239,800,000	18.39
Federal	103,589,686	109,479,104	5.69	126,502,300	15.55	170,276,000	34.60
IV-E	21,758,682	28,781,898	32.28	27,211,396	–5.46	40,649,000	49.38
IV-B	6,002,886	8,193,722	36.50	8,330,008	1.66	10,889,000	30.72
EA/TANF	11,168,407	4,050,663	–63.73	13,941,512	244.18	12,859,000	–7.76
SSBG	12,772,831	12,273,172	–3.91	18,724,405	52.56	15,221,000	–18.71
Medicaid	51,691,301	52,796,728	2.14	55,068,000	4.30	83,512,000	51.65
State	69,511,060	73,104,878	5.17	76,040,640	4.02	69,524,000	–8.57
Local	972,687	586,367	–39.72	0	–100.00	—	—
Contracted	not requested	10,149,298		76,185,476	650.65	103,021,000	35.22

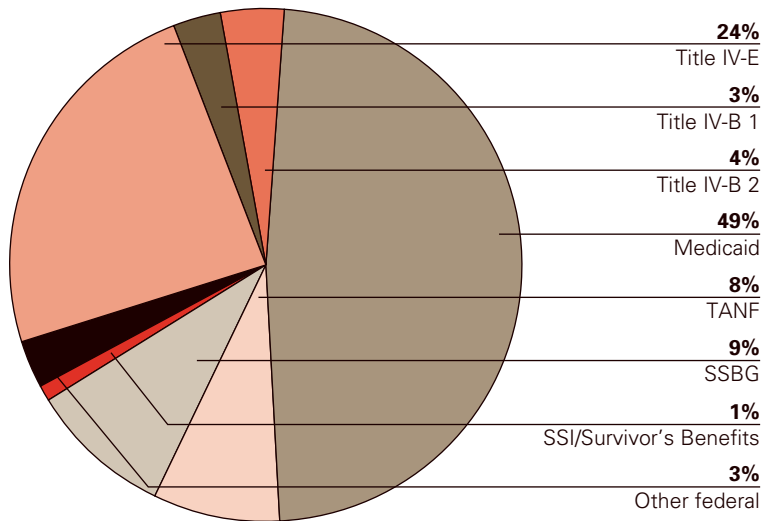
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

# South Carolina

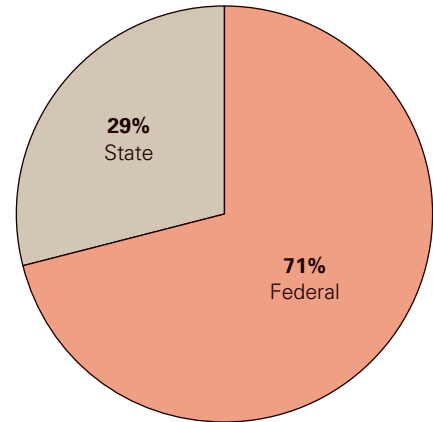
## Spending by Federal Source

\$170,276,000



## Spending by Source

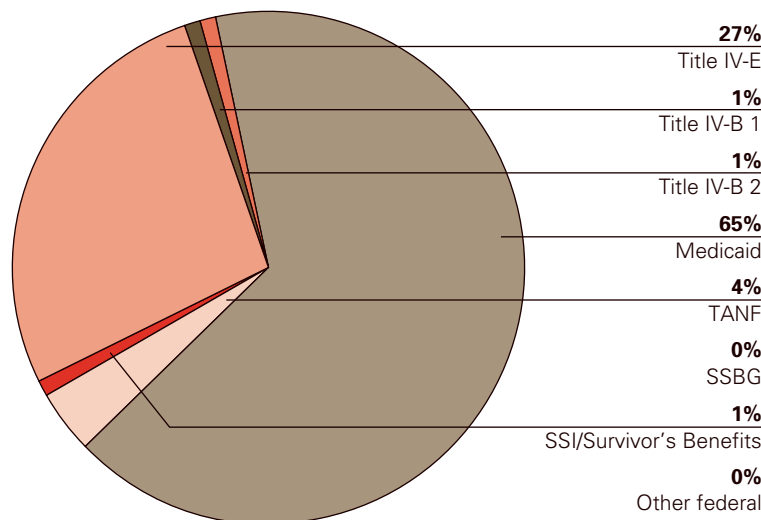
\$239,800,000



*Note:* South Carolina was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

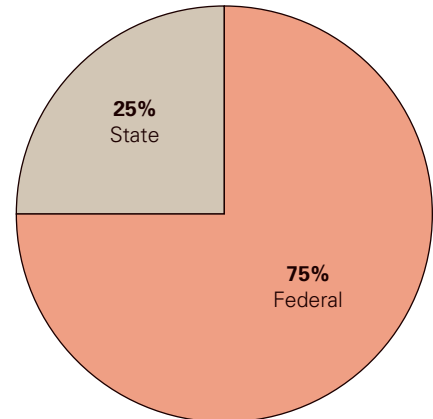
## Spending on Out-of-Home Placements by Federal Source

\$120,938,700



## Spending on Out-of-Home Placements by Source

\$161,679,700



*Note:* South Carolina was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.





**T**HERE WERE **195,625 children** in South Dakota in 2002. 8,411 child abuse and neglect investigations were conducted. 8,411 children were subjects of an investigation or assessment and 1,036 victims and 104 nonvictims received post-investigation services.<sup>72</sup>

ON SEPTEMBER 30, 2001, **1,367 children** were in foster care. Children in care were 61.3 percent Alaska Native/American Indian, 0.3 percent Asian, 1.6 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 3.8 percent Hispanic, 29.3 percent white, 3.2 percent two or more races, and 0.4 percent unknown race or ethnicity. Children were in the following settings: 2 percent in pre-adoptive homes, 18 percent in relative foster homes, 53 percent in non-relative foster homes, 3 percent in group homes, 23 percent in institutions, 0 percent in supervised independent living, 0 percent on runaway status, and 1 percent in trial home visits. 193 children received independent living services. 53 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **1,357 children** entered foster care. Of the 1,173 children who exited foster care in 2001, 10.7 percent were adopted, 4.7 percent exited to guardianship, 69.7 percent were reunified with family, 12.4 percent were discharged with another status, and 2.5 percent had missing data. 72 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in South Dakota include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 85.1 percent
- 4.1 Time to reunification: 86.5 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 57.2 percent (≥ 32.0 percent)
- 6.1 Placement stability: 84.7 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 15.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	27,521,906	30,971,484	12.53	33,415,420	7.89	39,441,666	18.03
Federal	15,005,750	19,092,103	27.23	20,527,852	7.52	23,258,291	13.30
IV-E	4,163,198	4,671,692	12.21	6,648,615	42.32	7,135,548	7.32
IV-B	1,733,122	965,012	–44.32	790,172	–18.12	966,024	22.25
EA/TANF	2,539,871	4,043,521	59.20	4,457,692	10.24	4,600,519	3.20
SSBG	3,046,670	4,738,295	55.52	5,022,689	6.00	4,953,856	–1.37
Medicaid	2,326,803	2,675,988	15.01	2,093,237	–21.78	3,934,262	87.95
State	12,516,156	11,879,381	–5.09	12,887,569	8.49	16,183,375	25.57
Local		0		0	0.00	0	0.00
Contracted	not requested	485,460		528,661	8.90	132,132	–75.01

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

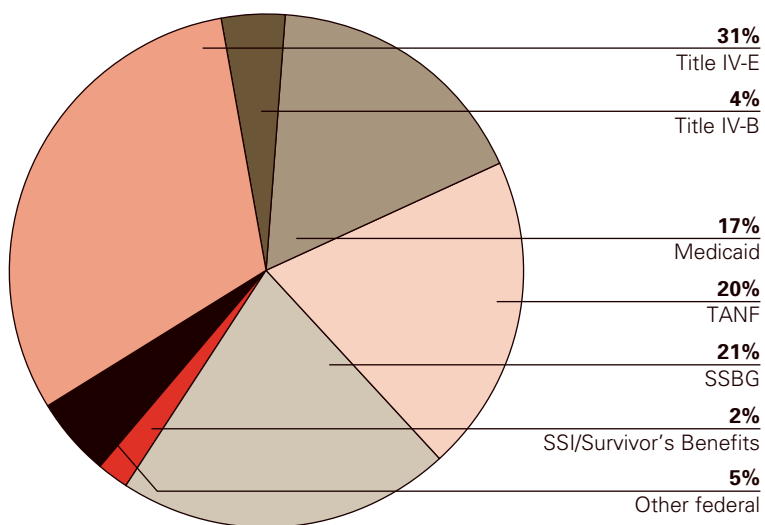
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# South Dakota

## Spending by Federal Source

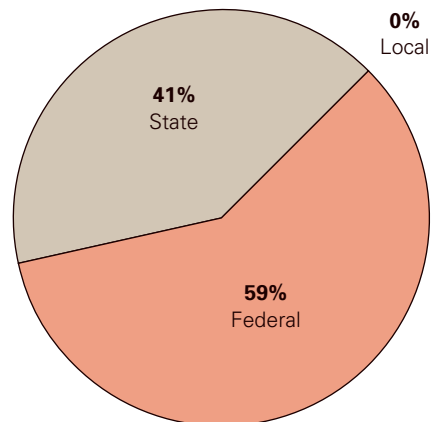
\$23,258,291



Note: South Dakota only provided total title IV-B spending.

## Spending by Source

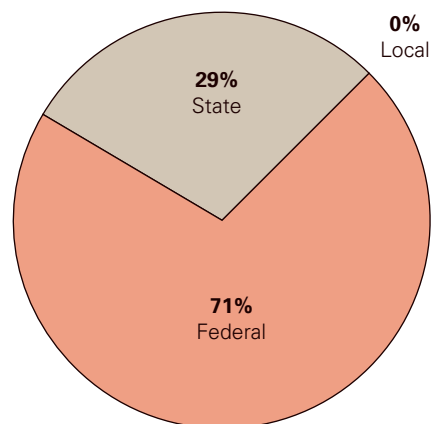
\$39,441,666



Some figures may not be presented because of missing or incomplete data for SFY 2002.

## Spending on Out-of-Home Placements by Source

\$20,642,945





**T**HERE WERE **1,404,661 children** in Tennessee in 2002. 28,348 child abuse and neglect investigations were conducted. 37,525 children were subjects of an investigation or assessment.<sup>73</sup>

ON SEPTEMBER 30, 2001, **9,679 children** were in foster care. Children in care were 0.2 percent Alaska Native/American Indian, 0.3 percent Asian, 36.0 percent black, 2.0 percent Hispanic, 58.8 percent white, 1.9 percent two or more races, and 0.7 percent unknown race or ethnicity.<sup>74</sup> Children were in the following settings: 5 percent in pre-adoptive homes, 5 percent in relative foster homes, 47 percent in non-relative foster homes, 12 percent in group homes, 18 percent in institutions, 1 percent in supervised independent living, 6 percent on runaway status, and 7 percent in trial home visits.<sup>75</sup> 41–50 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **5,667 children** entered foster care. Of the 5,089 children who exited foster care in 2001, 12.7 percent were adopted, 0.1 percent exited to guardianship, 71.1 percent were reunified with family, 14.1 percent were discharged with another status, and 2.0 percent had missing data. 61–70 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Tennessee include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 83.9 percent
- 4.1 Time to reunification: 62.5 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 13.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 61.0 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 8.8 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	440,791,656	340,887,539	–22.66	393,655,955	15.48	425,944,946	8.20
Federal	217,400,937	189,714,337	–12.74	162,064,902	–14.57	187,333,669	15.59
IV-E	50,523,093	44,339,860	–12.24	35,969,329	–18.88	38,297,764	6.47
IV-B	11,462,415	12,430,732	8.45	11,210,802	–9.81	8,616,865	–23.14
EA/TANF	22,335,198	—		0		0	0.00
SSBG	31,659,642	29,071,360	–8.18	27,662,472	–4.85	30,910,598	11.74
Medicaid	101,163,624	87,260,179	–13.74	76,722,341	–12.08	102,962,485	34.20
State	223,390,719	151,173,202	–32.33	231,591,052	53.20	238,611,277	3.03
Local	—	—		0		0	0.00
Contracted	not requested	271,512,000		221,335,240	–18.48	277,043,131	25.17

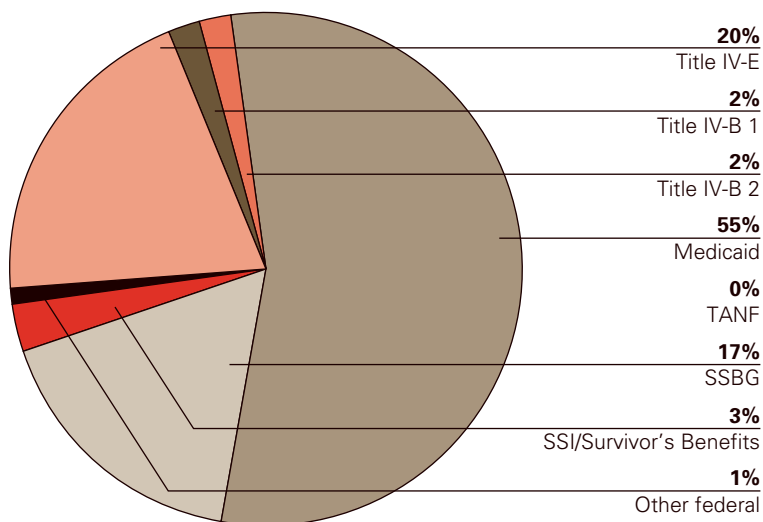
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Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

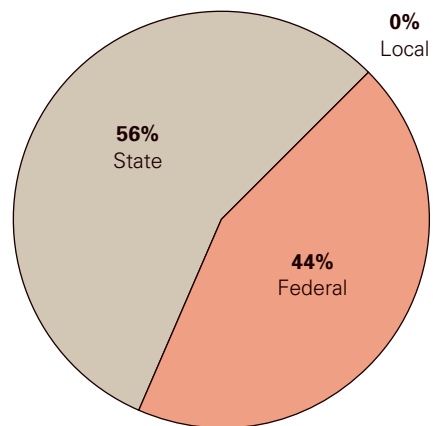
## Spending by Federal Source

\$187,333,669



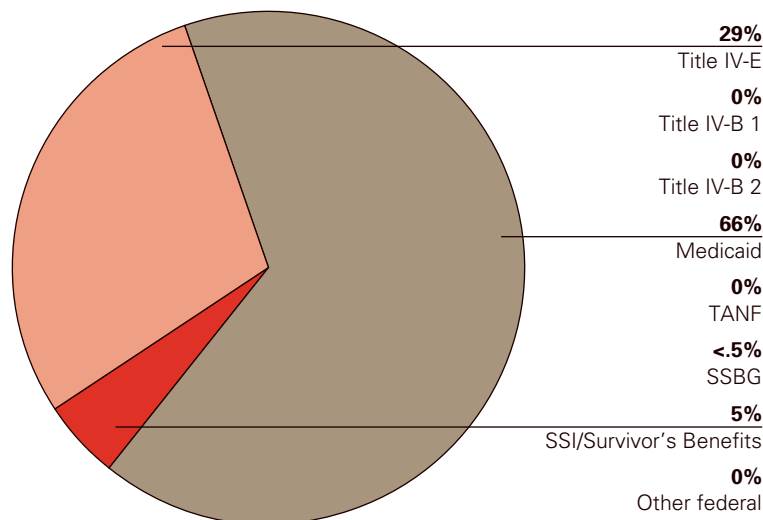
## Spending by Source

\$425,944,946



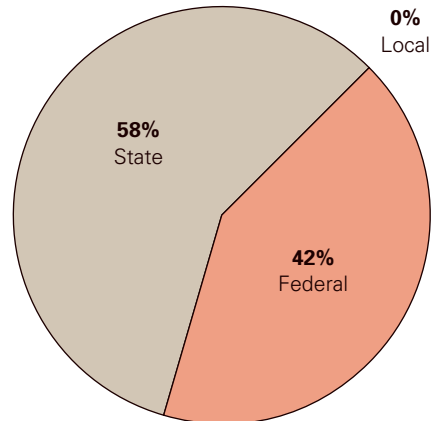
## Spending on Out-of-Home Placements by Federal Source

\$88,076,782



## Spending on Out-of-Home Placements by Source

\$210,280,405





States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Texas include (national standards in parentheses):

- 1.1 Recurrence: 4.2 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.30 percent (≤ 0.57 percent)
- 3.1 Permanency: 76.9 percent
- 4.1 Time to reunification: 60.7 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 51.3 percent (≥ 32.0 percent)
- 6.1 Placement stability: 71.0 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 12.1 percent

**T**HERE WERE **6,102,316 children** in Texas in 2002. In that same year, 152,483 referrals were made to child protective services for suspected abuse or neglect (25.0 referrals per 1,000 children in the population). 85.2 percent of these referrals were screened in and 129,956 investigations were conducted. 210,375 children were subjects of an investigation or assessment and 31,079 children received post-investigation services (20,895 victims and 10,184 nonvictims).

ON SEPTEMBER 30, 2001, **19,739 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.3 percent Asian, 27.6 percent black, 0.0 percent Native Hawaiian/other Pacific Islander, 35.0 percent Hispanic, 33.3 percent white, 2.8 percent two or more races, and 0.7 percent unknown race or ethnicity. Children were in the following settings: 4 percent in pre-adoptive homes, 16 percent in relative foster homes, 48 percent in non-relative foster homes, 9 percent in group homes, 17 percent in institutions, 0 percent in supervised independent living, 1 percent on runaway status, and 5 percent in trial home visits. 3,110 children received independent living services. 59 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **10,680 children** entered foster care. Of the 8,858 children who exited foster care in 2001, 25.8 percent were adopted, 51.1 percent were reunified with family, 4.3 percent were discharged with another status, and 18.8 percent had missing data.<sup>76</sup> 75 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

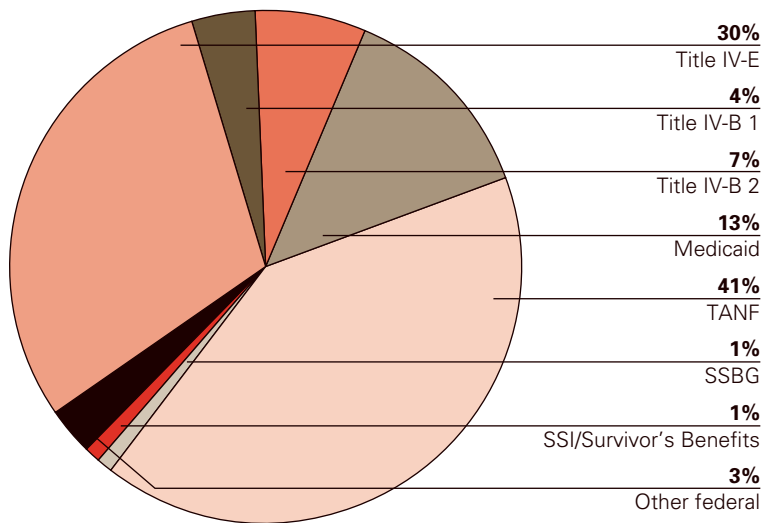
Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	526,599,379	516,873,538	–1.85	673,821,602	30.36	824,978,690	22.43
Federal	277,223,115	274,516,882	–0.98	424,854,592	54.76	540,113,780	27.13
IV-E	103,501,049	97,475,304	–5.82	122,927,468	26.11	160,891,955	30.88
IV-B	38,238,711	42,478,667	11.09	49,964,339	17.62	59,004,230	18.09
EA/TANF	42,523,393	59,614,735	40.19	170,660,286	186.27	220,280,904	29.08
SSBG	53,075,569	28,875,462	–45.60	4,821,796	–83.30	7,812,105	62.02
Medicaid	36,397,516	35,477,106	–2.53	55,337,367	55.98	70,498,771	27.40
State	245,149,296	237,301,053	–3.20	243,244,671	2.50	275,998,691	13.47
Local	4,226,968	5,055,603	19.60	5,722,339	13.19	8,866,219	54.94
Contracted	not requested	316,359,450		462,240,143	46.11	535,210,374	15.79

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

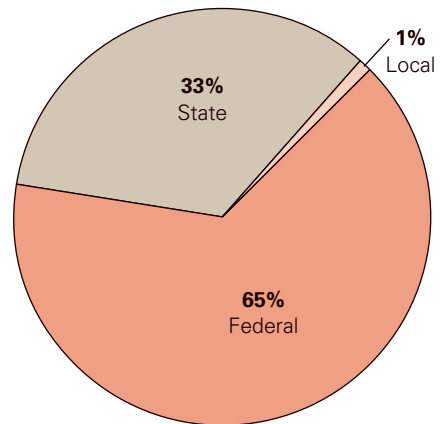
## Spending by Federal Source

\$540,113,780



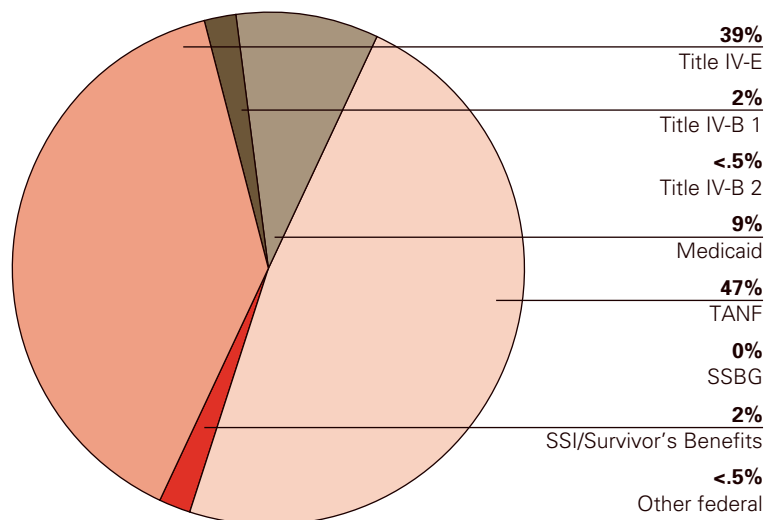
## Spending by Source

\$824,978,690



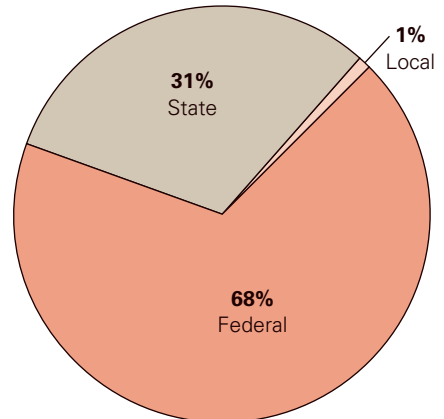
## Spending on Out-of-Home Placements by Federal Source

\$302,929,111



## Spending on Out-of-Home Placements by Source

\$443,697,038







States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Utah include (national standards in parentheses):

- 1.1 Recurrence: 7.1 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.55 percent (≤ 0.57 percent)
- 3.1 Permanency: 89.0 percent
- 4.1 Time to reunification: 81.7 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 70.8 percent (≥ 32.0 percent)
- 6.1 Placement stability: 80.1 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 4.8 percent

**T**HERE WERE **713,012 children** in Utah in 2002. In that same year, 28,641 referrals were made to child protective services for suspected abuse or neglect (40.2 referrals per 1,000 children in the population). 66.2 percent of these referrals were screened in and 18,965 investigations were conducted. 29,836 children were subjects of an investigation or assessment and 26,507 children received post-investigation services (8,955 victims and 17,552 nonvictims).

ON SEPTEMBER 30, 2001, **1,957 children** were in foster care. Children in care were 4.5 percent Alaska Native/American Indian, 0.9 percent Asian, 3.8 percent black, 0.8 percent Native Hawaiian/other Pacific Islander, 18.1 percent Hispanic, 54.5 percent white, and 17.4 percent unknown race or ethnicity.<sup>77</sup> Children were in the following settings: 9 percent in pre-adoptive homes, 4 percent in relative foster homes, 61 percent in non-relative foster homes, 4 percent in group homes, 11 percent in institutions, 2 percent in supervised independent living, 3 percent on runaway status, and 6 percent in trial home visits. 88 children received independent living services.<sup>78</sup> 50 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,006 children** entered foster care. Of the 2,009 children who exited foster care in 2001, 17.4 percent were adopted, 1.3 percent exited to guardianship, 70.3 percent were reunified with family, 10.8 percent were discharged with another status, and 0.2 percent had missing data. 77 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	99,828,072	117,152,784	17.35	127,615,665	8.93	120,228,300	-5.79
Federal	49,200,639	52,085,592	5.86	64,068,089	23.01	57,838,300	-9.72
IV-E	15,035,394	23,787,648	58.21	25,141,165	5.69	24,704,200	-1.74
IV-B	4,789,761	4,714,848	-1.56	4,969,035	5.39	4,697,100	-5.47
EA/TANF	6,338,766	557,712	-91.20	3,054,480	447.68	0	-100.00
SSBG	14,677,752	9,602,496	-34.58	8,229,312	-14.30	7,363,800	-10.52
Medicaid	6,855,471	11,617,884	69.47	20,532,766	76.73	18,931,900	-7.80
State	50,627,433	65,067,192	28.52	63,547,576	-2.34	62,390,000	-1.82
Local		0		0	0.00	—	
Contracted	not requested	47,090,916		61,088,280	29.72	0	-100.00

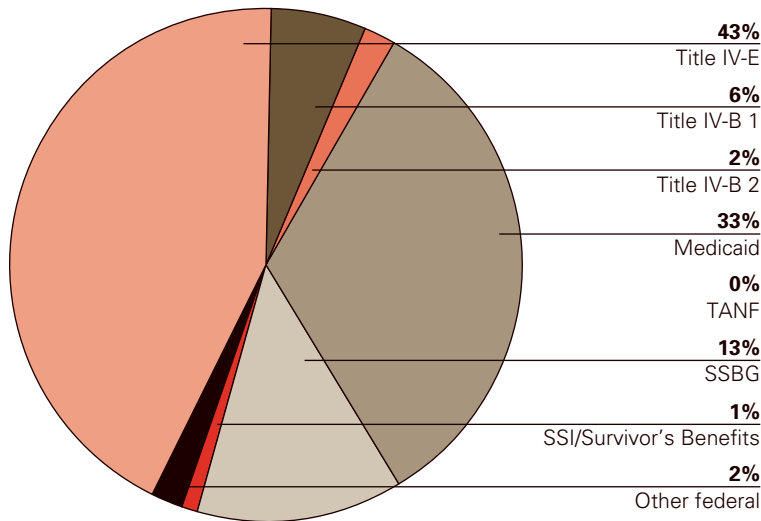
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

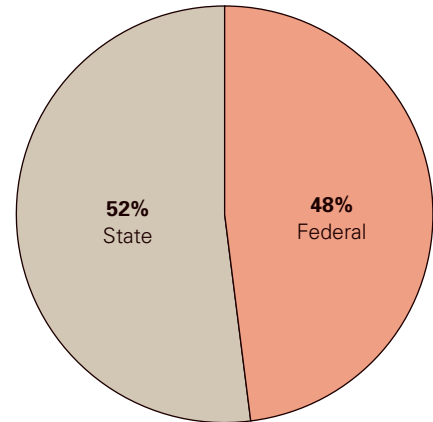
## Spending by Federal Source

\$57,838,300



## Spending by Source

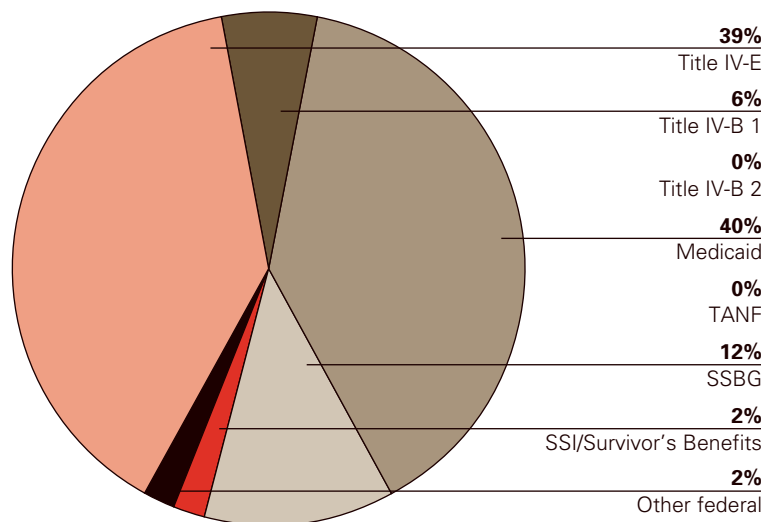
\$120,228,300



*Note:* Utah was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.

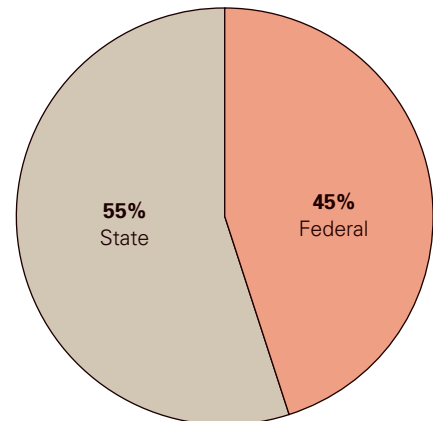
## Spending on Out-of-Home Placements by Federal Source

\$47,336,100



## Spending on Out-of-Home Placements by Source

\$105,440,100



*Note:* Utah was unable to provide local expenditures, but was included in the analysis because it is state-administered and the amount of spending from local sources is assumed to be minimal in this type of structure.



**T**HERE WERE **139,662 children** in Vermont in 2002. 3,194 child abuse and neglect investigations were conducted. 4,000 children were subjects of an investigation or assessment and 1,228 children received post-investigation services (639 victims and 589 nonvictims).<sup>79</sup>

ON SEPTEMBER 30, 2001, **1,360 children** were in foster care. Children in care were 0.3 percent Alaska Native/American Indian, 0.4 percent Asian, 1.8 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 0.5 percent Hispanic, 96.7 percent white, and 0.3 percent unknown race or ethnicity.<sup>80</sup> Children were in the following settings: 6 percent in pre-adoptive homes, 11 percent in relative foster homes, 55 percent in non-relative foster homes, 15 percent in group homes, 3 percent in institutions, 2 percent in supervised independent living, 1 percent on runaway status, and 8 percent in trial home visits.<sup>81</sup> 71–80 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **697 children** entered foster care. Of the 581 children who exited foster care in 2001, 14.6 percent were adopted, 71.4 percent were reunified with family, 10.8 percent were discharged with another status, and 3.1 percent had missing data.<sup>82</sup> Over 80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Vermont include (national standards in parentheses):

- **1.1** Recurrence: 6.9 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.34 percent (≤ 0.57 percent)
- **3.1** Permanency: 86.0 percent
- **4.1** Time to reunification: 62.2 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 16.5 percent (≥ 32.0 percent)
- **6.1** Placement stability: 69.2 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 6.1 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	51,460,208	50,982,480	–0.93	63,431,920	24.42	67,265,907	6.04
Federal	29,879,554	32,196,909	7.76	40,277,193	25.10	43,886,480	8.96
IV-E	11,719,487	14,108,040	20.38	18,345,084	30.03	19,710,181	7.44
IV-B	1,963,217	1,420,149	–27.66	1,405,393	–1.04	1,354,943	–3.59
EA/TANF	2,315,091	896,400	–61.28	3,634,758	305.48	3,564,784	–1.93
SSBG	3,981,923	3,850,200	–3.31	6,120,102	58.96	5,734,429	–6.30
Medicaid	8,082,412	9,363,600	15.85	9,983,736	6.62	12,565,013	25.85
State	21,580,654	18,785,571	–12.95	23,154,727	23.26	23,379,427	0.97
Local		0		0	0.00	0	0.00
Contracted	not requested	15,830,640		19,065,233	20.43	18,698,594	–1.92

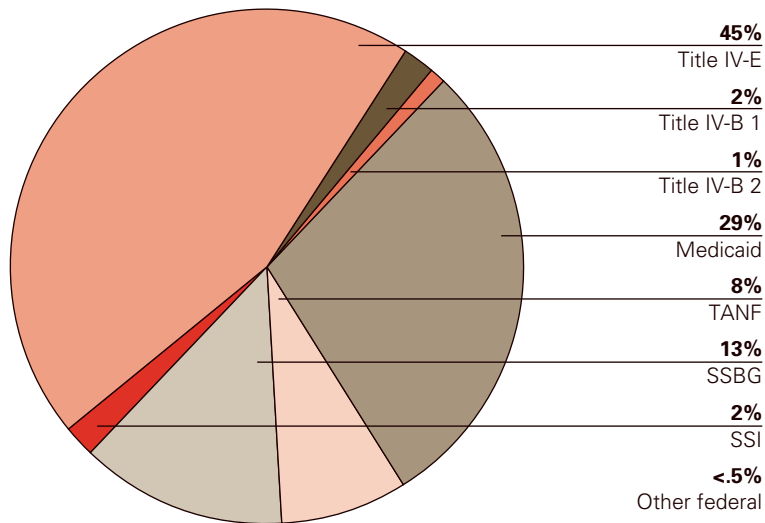
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

## Spending by Federal Source

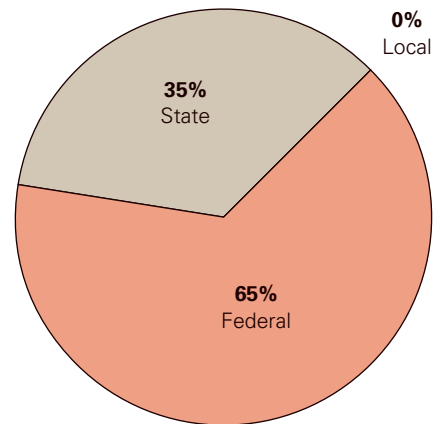
\$43,886,480



*Note:* Vermont was unable to provide Survivor's Insurance Benefit spending.

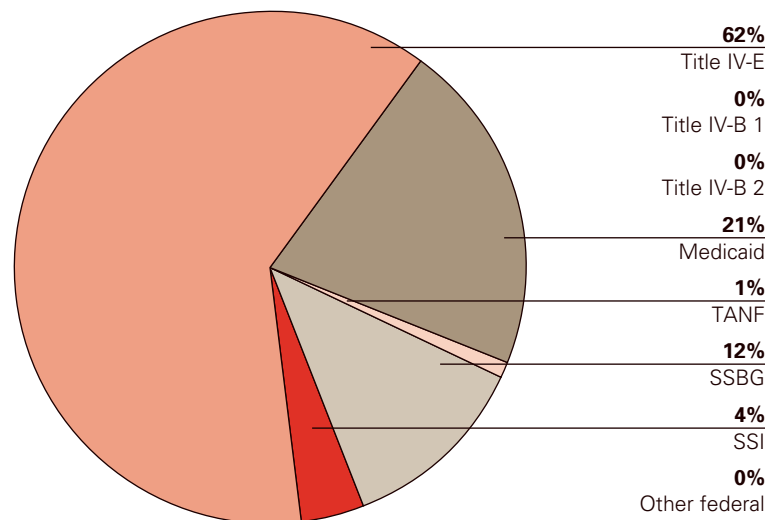
## Spending by Source

\$67,265,907



## Spending on Out-of-Home Placements by Federal Source

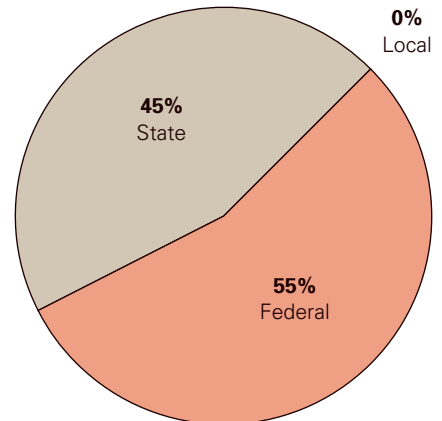
\$24,847,972



*Note:* Vermont was unable to provide Survivor's Insurance Benefit spending.

## Spending on Out-of-Home Placements by Source

\$44,974,764





**T**HERE WERE **1,779,408 children** in Virginia in 2002. In that same year, 42,397 referrals were made to child protective services for suspected abuse or neglect (23.8 referrals per 1,000 children in the population). 48.6 percent of these referrals were screened in and 20,619 investigations were conducted. 40,552 children were subjects of an investigation or assessment and 9,743 children received post-investigation services (4,515 victims and 5,228 nonvictims).

ON SEPTEMBER 30, 2001, **6,866 children** were in foster care. Children in care were 0.1 percent Alaska Native/American Indian, 0.3 percent Asian, 49.5 percent black, 3.9 percent Hispanic, 42.8 percent white, 2.7 percent two or more races, and 0.6 percent unknown race or ethnicity.<sup>83</sup> Children were in the following settings: 5 percent in pre-adoptive homes, 4 percent in relative foster homes, 63 percent in non-relative foster homes, 4 percent in group homes, 18 percent in institutions, 1 percent in supervised independent living, 1 percent on runaway status, and 4 percent in trial home visits.<sup>84</sup> 55 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,904 children** entered foster care. Of the 2,096 children who exited foster care in 2001, 20.0 percent were adopted, 48.8 percent were reunified with family, and 31.2 percent were discharged with another status.<sup>85</sup> 64 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Virginia include (national standards in parentheses):

- **1.1** Recurrence: 1.8 percent (≤ 6.1 percent)
- **2.1** Incidence: not available (≤ 0.57 percent)
- **3.1** Permanency: 68.8 percent
- **4.1** Time to reunification: 73.6 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 17.9 percent (≥ 32.0 percent)
- **6.1** Placement stability: 84.8 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 6.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	62,659,309	111,251,447		128,522,283	15.52	335,031,670	
Federal	36,129,802	63,946,332		68,533,232	7.17	218,242,752	
IV-E	26,638,890	49,807,455		59,331,242	19.12	71,311,559	20.19
IV-B	9,490,912	14,138,877		9,201,989	-34.92	8,929,335	-2.96
EA/TANF	—	0		0	0.00	89,568,077	
SSBG	—	0		—		47,476,209	
Medicaid	—	0		0	0.00	0	0.00
State	26,529,507	23,121,770		34,712,078	50.13	78,312,044	125.60
Local		24,183,345		25,276,973	4.52	38,476,874	52.22
Contracted	not requested	—		—		2,365,896	

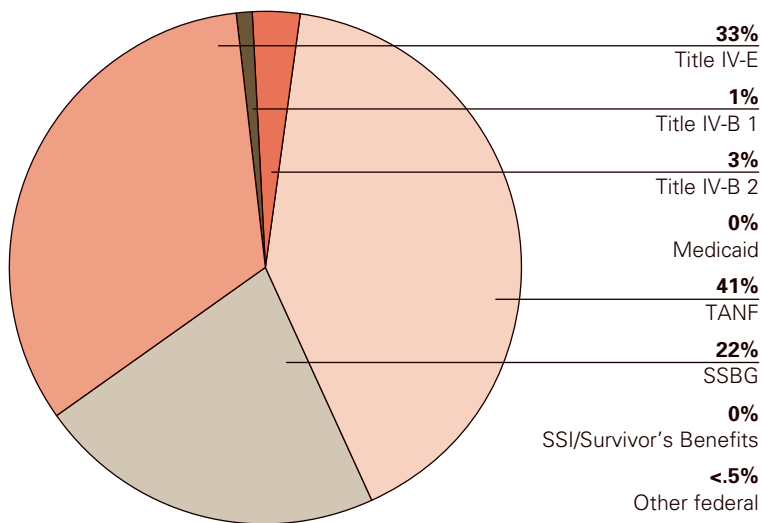
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Did not provide SFY 1996 data. Federal and state spending calculated from U.S. Department of Health and Human Services claims for title IV-E and allocations for title IV-B, with corresponding state match.

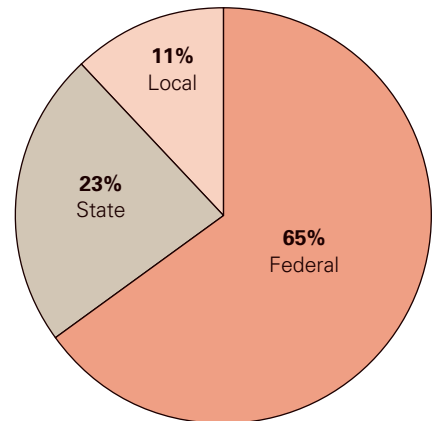
## Spending by Federal Source

\$218,242,752



## Spending by Source

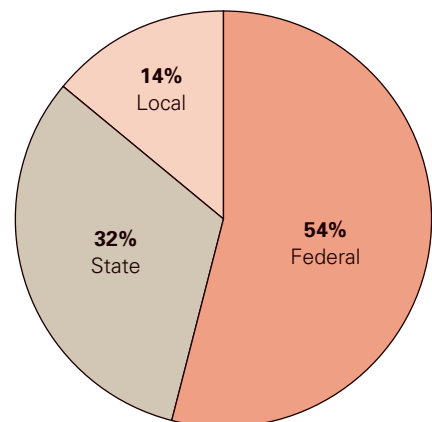
\$335,031,670



Some figures may not be presented because of missing or incomplete data for SFY 2002.

## Spending on Out-of-Home Placements by Source

\$105,262,472







**T**HERE WERE **1,513,360 children** in Washington in 2002. In that same year, 59,720 referrals were made to child protective services for suspected abuse or neglect (39.5 referrals per 1,000 children in the population). 30.8 percent of these referrals were screened in and 18,423 investigations were conducted. 28,718 children were subjects of an investigation or assessment and 7,533 children received post-investigation services (2,769 victims and 4,764 nonvictims).

ON SEPTEMBER 30, 2001, **9,101 children** were in foster care. Children in care were 9.0 percent Alaska Native/American Indian, 0.9 percent Asian, 11.7 percent black, 0.2 percent Native Hawaiian/other Pacific Islander, 11.6 percent Hispanic, 58.7 percent white, 6.3 percent two or more races, and 1.6 percent unknown race or ethnicity. Children were in the following settings: 1 percent in pre-adoptive homes, 32 percent in relative foster homes, 58 percent in non-relative foster homes, 5 percent in group homes, 1 percent in institutions, 0 percent in supervised independent living, 2 percent on runaway status, and 0 percent in trial home visits. 624 children received independent living services. 31–40 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **7,273 children** entered foster care. Of the 6,438 children who exited foster care in 2001, 17.6 percent were adopted, 6.6 percent exited to guardianship, 66.0 percent were reunified with family, 9.8 percent were discharged with another status, and 0.1 percent had missing data. Over 80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Washington include (national standards in parentheses):

- 1.1 Recurrence: 11.7 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.79 percent (≤ 0.57 percent)
- 3.1 Permanency: 90.2 percent
- 4.1 Time to reunification: 83.0 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 26.0 percent (≥ 32.0 percent)
- 6.1 Placement stability: 83.3 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 2.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	232,591,329	347,370,979	49.35	397,685,825	14.48	396,477,199	–0.30
Federal	107,921,679	154,524,240	43.18	192,021,185	24.27	188,857,649	–1.65
IV-E	18,961,575	30,704,357	61.93	43,420,992	41.42	66,132,748	52.31
IV-B	11,112,474	10,010,956	–9.91	12,461,251	24.48	11,127,880	–10.70
EA/TANF	4,284,600	0	–100.00	18,574,898		17,521,014	–5.67
SSBG	21,682,740	43,266,961	99.55	39,363,969	–9.02	37,844,000	–3.86
Medicaid	28,259,490	40,729,942	44.13	37,272,808	–8.49	39,627,388	6.32
State	124,669,650	192,757,653	54.61	205,648,450	6.69	207,619,550	0.96
Local		89,086		16,190	–81.83	0	–100.00
Contracted	not requested	109,527,380		148,372,565	35.47	—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

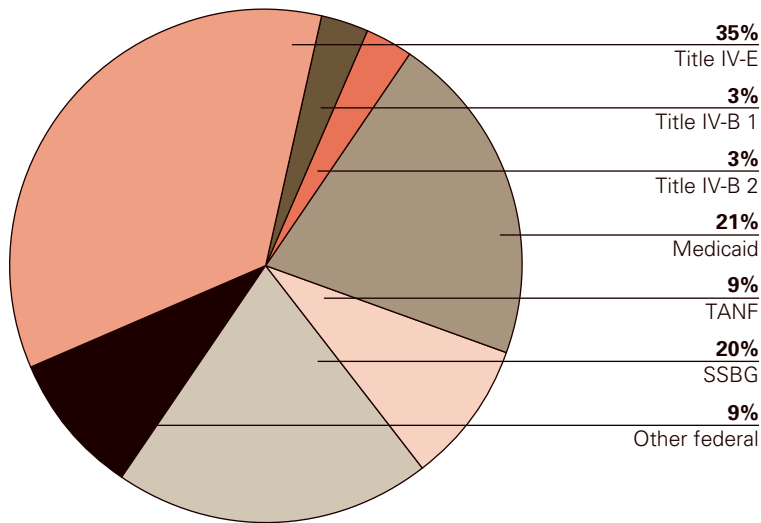
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# Washington

## Spending by Federal Source

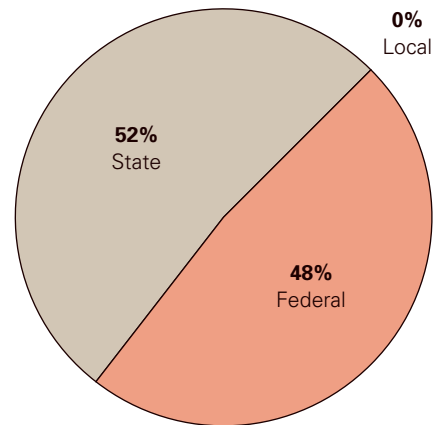
\$188,857,649



Note: Washington was unable to provide SSI and Survivor's Insurance Benefit expenditures.

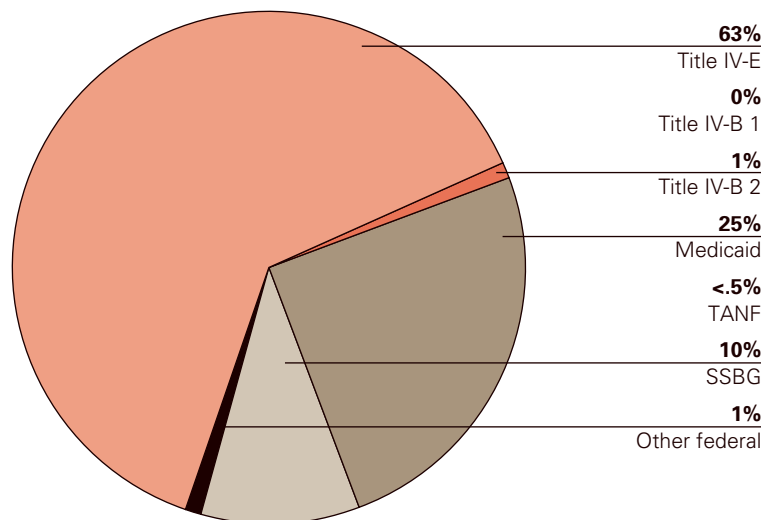
## Spending by Source

\$396,477,199



## Spending on Out-of-Home Placements by Federal Source

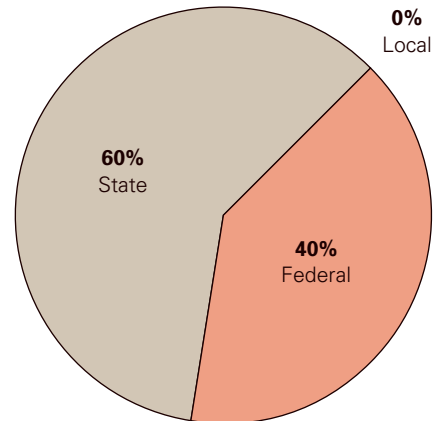
\$73,982,832



Note: Washington was unable to provide SSI and Survivor's Insurance Benefit expenditures.

## Spending on Out-of-Home Placements by Source

\$182,725,955





**T**HERE WERE **389,171 children** in West Virginia in 2002. In that same year, 22,124 referrals were made to child protective services for suspected abuse or neglect (56.8 referrals per 1,000 children in the population). 68.0 percent of these referrals were screened in and 15,052 investigations were conducted. 24,089 children were subjects of an investigation or assessment and 4,201 child victims received post-investigation services.

ON SEPTEMBER 30, 2001, **3,298 children** were in foster care. Children in care were 0.0 percent Alaska Native/American Indian, 0.1 percent Asian, 7.9 percent black, 0.1 percent Native Hawaiian/other Pacific Islander, 1.1 percent Hispanic, 83.7 percent white, 3.9 percent two or more races, and 3.4 percent unknown race or ethnicity. Children were in the following settings: 5 percent in pre-adoptive homes, 4 percent in relative foster homes, 54 percent in non-relative foster homes, 32 percent in group homes, 3 percent in institutions, 2 percent in supervised independent living, 0 percent on runaway status, and 1 percent in trial home visits. 249 children received independent living services. 51–60 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **2,234 children** entered foster care. Of the 2,340 children who exited foster care in 2001, 14.4 percent were adopted, 0.6 percent exited to guardianship, 37.9 percent were reunified with family, 8.8 percent were discharged with another status, and 38.2 percent had missing data. 71–80 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in West Virginia include (national standards in parentheses):

- 1.1 Recurrence: 5.7 percent (≤ 6.1 percent)
- 2.1 Incidence: 0.02 percent (≤ 0.57 percent)
- 3.1 Permanency: 52.9 percent
- 4.1 Time to reunification: 72.2 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 26.4 percent (≥ 32.0 percent)
- 6.1 Placement stability: 83.6 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 10.4 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	115,550,194	130,696,172	13.11	146,583,717	12.16	154,448,327	5.37
Federal	79,658,155	66,177,974	–16.92	87,770,623		89,537,723	2.01
IV-E	9,408,660	18,480,914	96.42	26,160,220	41.55	32,740,679	25.15
IV-B	5,053,928	5,380,158	6.45	4,979,080	–7.45	5,588,947	12.25
EA/TANF	1,863,184	0	–100.00	36,547,821		36,761,140	0.58
SSBG	10,205,285	16,190,637	58.65	19,565,553	20.84	14,070,262	–28.09
Medicaid	53,127,100	23,500,256	–55.77	—		—	
State	35,892,039	64,518,198	79.76	58,813,094	–8.84	64,910,604	10.37
Local		0		0	0.00	0	0.00
Contracted	not requested	13,521,240		—		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

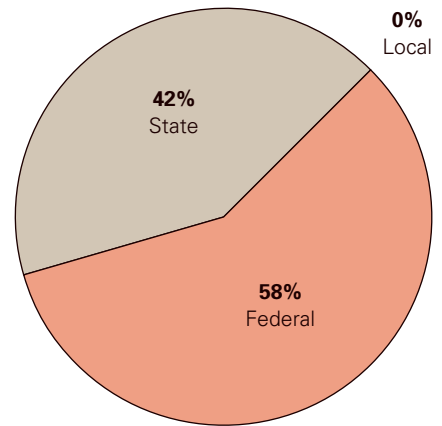
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.

# West Virginia

## Spending by Source

\$154,448,327



Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **1,338,064 children** in Wisconsin in 2002. 42,087 child abuse and neglect investigations were conducted. 42,087 children were subjects of an investigation or assessment and 7,539 victims received post-investigation services.<sup>86</sup>

ON SEPTEMBER 30, 2001, **7,290 children** were in foster care. Children in care were 1.9 percent Alaska Native/American Indian, 0.8 percent Asian, 59.9 percent black, 4.8 percent Hispanic, 31.8 percent white, and 0.8 percent two or more races.<sup>87</sup> Children were in the following settings: 1 percent in pre-adoptive homes, 7 percent in relative foster homes, 82 percent in non-relative foster homes, 3 percent in group homes, and 7 percent in institutions.<sup>88</sup> 1,273 children received independent living services. 76 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **3,204 children** entered foster care. Of the 4,443 children who exited foster care in 2001, 14.3 percent were adopted, 58.0 percent were reunified with family, and 27.8 percent were discharged with another status.<sup>89</sup> 87 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Wisconsin include (national standards in parentheses):

- 1.1 Recurrence: not available (≤ 6.1 percent)
- 2.1 Incidence: not available (≤ 0.57 percent)
- 3.1 Permanency: 72.3 percent
- 4.1 Time to reunification: 80.6 percent (≥ 76.2 percent)
- 5.1 Time to adoption: 21.2 percent (≥ 32.0 percent)
- 6.1 Placement stability: 95.4 percent (≥ 86.7 percent)
- 7.1 Placements of young children in group homes or institutions: 9.0 percent

Source	1996 spending (\$)	1998 spending (\$)	96-98 change (%)	2000 spending (\$)	98-00 change (%)	2002 spending (\$)	00-02 change (%)
Total	84,229,072	393,907,320		432,127,499	9.70	349,464,994	-19.13
Federal	84,229,072	199,507,320		219,967,499	10.26	159,964,994	-27.28
IV-E	68,520,440	95,319,828	39.11	114,562,807	20.19	112,516,763	-1.79
IV-B	7,605,632	9,180,000	20.70	9,494,515	3.43	9,406,889	-0.92
EA/TANF	0	13,068,000		29,697,429	127.25	28,022,820	-5.64
SSBG	—	76,680,000		64,412,509	-16.00	9,200,000	
Medicaid	0	0	0.00	697,840		366,634	-47.46
State	—	194,400,000		212,160,000		189,500,000	
Local	—	—		—		—	
Contracted	not requested	—		—		—	

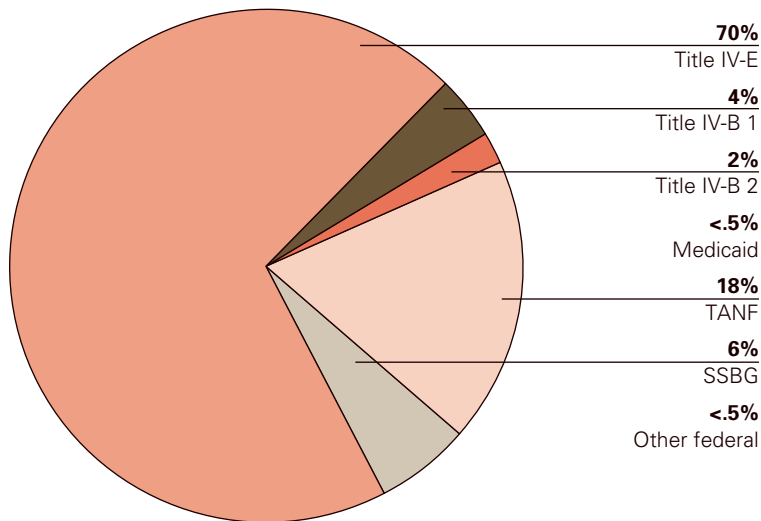
0 = state does not use funding stream; — = state uses funding stream but could not provide data.

Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002.

Limitations: State spending includes local spending, but not all local spending is represented. SSBG spending in SFY 2000 may have been misreported.

## Spending by Federal Source

\$159,964,994



*Note:* Wisconsin was unable to provide SSI and Survivor's Insurance Benefit expenditures.

Some figures may not be presented because of missing or incomplete data for SFY 2002.





**T**HERE WERE **122,344 children** in Wyoming in 2002. In that same year, 4,958 referrals were made to child protective services for suspected abuse or neglect (40.5 referrals per 1,000 children in the population). 48.5 percent of these referrals were screened in and 2,403 investigations were conducted. 4,355 children were subjects of an investigation or assessment and 354 child victims received post-investigation services.

ON SEPTEMBER 30, 2001, **965 children** were in foster care. Children in care were 1.6 percent Alaska Native/American Indian, 0.4 percent Asian, 3.0 percent black, 7.4 percent Hispanic, 85.6 percent white, 0.4 percent two or more races, and 1.7 percent unknown race or ethnicity.<sup>90</sup> Children were in the following settings: 2 percent in pre-adoptive homes, 14 percent in relative foster homes, 36 percent in non-relative foster homes, 13 percent in group homes, 32 percent in institutions, 1 percent in supervised independent living, 1 percent on runaway status, and 1 percent in trial home visits. 395 children received independent living services. 37 percent of children in care received a title IV-E reimbursed maintenance payment in SFY 2002.

IN 2001, **896 children** entered foster care. Of the 689 children who exited foster care in 2001, 5.2 percent were adopted, 5.2 percent exited to guardianship, 72.7 percent were reunified with family, 13.9 percent were discharged with another status, and 2.9 percent had missing data. 72 percent of all children in adoptive placements received a title IV-E reimbursed subsidy in SFY 2002.

States are assessed on their performance on several national child welfare outcome measures. In 2001, these outcomes in Wyoming include (national standards in parentheses):

- **1.1** Recurrence: 5.9 percent (≤ 6.1 percent)
- **2.1** Incidence: 0.74 percent (≤ 0.57 percent)
- **3.1** Permanency: 83.1 percent
- **4.1** Time to reunification: 78.6 percent (≥ 76.2 percent)
- **5.1** Time to adoption: 27.8 percent (≥ 32.0 percent)
- **6.1** Placement stability: 82.4 percent (≥ 86.7 percent)
- **7.1** Placements of young children in group homes or institutions: 9.8 percent

Source	1996 spending (\$)	1998 spending (\$)	96–98 change (%)	2000 spending (\$)	98–00 change (%)	2002 spending (\$)	00–02 change (%)
Total	26,190,755	25,971,014	–0.84	19,040,007	–26.69	30,087,462	58.02
Federal	11,162,650	13,100,078	17.36	12,100,294	–7.63	15,278,008	26.26
IV-E	1,275,706	4,044,574	217.05	2,591,031	–35.94	3,825,606	47.65
IV-B	856,620	977,365	14.10	898,793	–8.04	1,077,777	19.91
EA/TANF	1,812,530	385,633	–78.72	980,675	154.30	4,203,536	328.64
SSBG	5,202,090	4,879,383	–6.20	4,558,652	–6.57	3,052,507	–33.04
Medicaid	1,771,143	2,249,974	27.04	2,351,214	4.50	2,498,677	6.27
State	15,028,106	12,870,936	–14.35	6,939,713		14,809,454	113.40
Local		—		0		0	0.00
Contracted	not requested	—		18,708,726		—	

0 = state does not use funding stream; — = state uses funding stream but could not provide data.

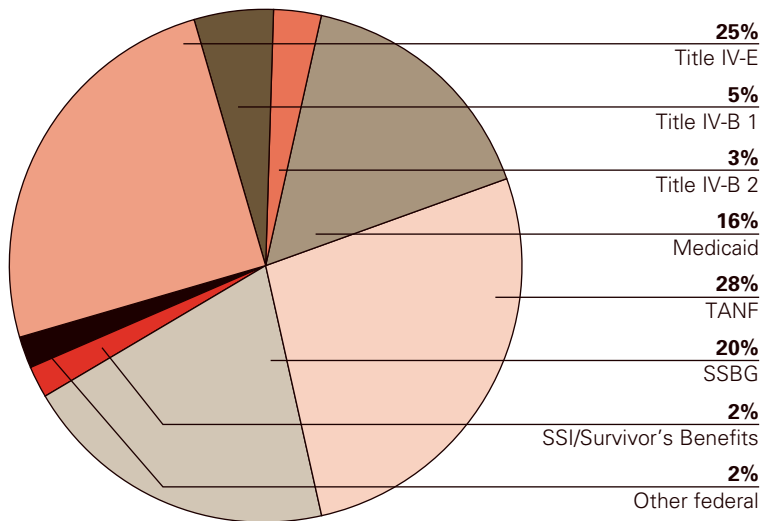
Notes: Dollars are presented in real 2002 dollars and changes are adjusted for inflation. Percent changes left blank could not be calculated because of missing or incomplete data, or because the state did not use the funding source in SFY 1996, 1998, 2000, or 2002. Local spending was left blank in SFY 1996, but it is assumed to be minimal in a state-administered structure.



# Wyoming

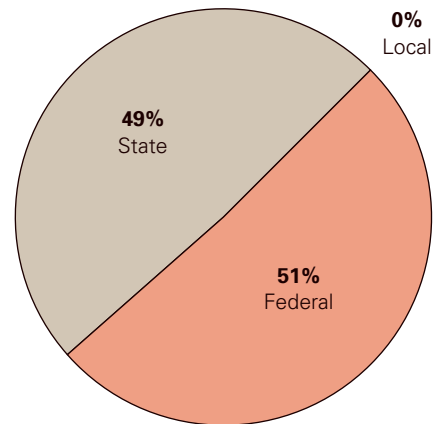
## Spending by Federal Source

\$15,278,008



## Spending by Source

\$30,087,462



Some figures may not be presented because of missing or incomplete data for SFY 2002.





## DEFINITIONS AND SOURCES

### Child Population (7/1/02)

Total resident population under age 18 as of July 1, 2002, including Armed Forces personnel stationed in the area and their dependents. Data are reported for all states that reported referral or investigation data.

Population Reference Bureau, analysis of data from U.S. Census Bureau, State Characteristics Population Estimates; as cited in U.S. Department of Health and Human Services, National Center of Child Abuse and Neglect. 2004. *Child Maltreatment 2002: Reports from the States to the National Child Abuse and Neglect Data Systems—National statistics on child abuse and neglect*. Table 3-1. Washington, DC: U.S. Government Printing Office.

### Referrals of Abuse and Neglect and Screened-in Reports (2002)

Referrals to child protective services (CPS) agencies alleging that children have been abused or neglected. Approximately one-third of referrals are screened out and do not receive further attention from CPS. Reports are often screened out because of a lack sufficient information for follow-up, agency workload, and being outside the area of responsibility of the CPS agency. The remaining two-thirds of referrals are screened in as reports to CPS agencies because they meet the states' policies for conducting an investigation or assessment. A referral can include more than one child. Rates are per 1,000 children in the population. U.S. average is based on the 39 states that reported data.

U.S. Department of Health and Human Services, National Center of Child Abuse and Neglect. 2004. *Child Maltreatment 2002: Reports from the States to the National Child Abuse and Neglect Data Systems—National statistics on child abuse and neglect*. Washington, DC: U.S. Government Printing Office.

### Investigations Conducted (2002)

State investigations into reports of abuse and neglect. Includes reports that were found to be substantiated, indicated, alternative response victims, alternative response nonvictims, unsubstantiated, intentionally false, closed with no finding and other, and unknown or missing.

U.S. Department of Health and Human Services, National Center of Child Abuse and Neglect. 2004. *Child Maltreatment 2002: Reports from the States to the National Child Abuse and Neglect Data Systems—National statistics on child abuse and neglect*. Washington, DC: U.S. Government Printing Office.

### Child Subjects of a Child Protective Services Investigation or Assessment (2002)

Number of children involved in an investigation or assessment after a referral is screened in. The U.S. estimate is based on data provided by 50 states and calculated for the nation.

U.S. Department of Health and Human Services, National Center of Child Abuse and Neglect. 2004. *Child Maltreatment 2002: Reports from the States to the National Child Abuse and Neglect Data Systems—National statistics on child abuse and neglect*. Washington, DC: U.S. Government Printing Office.

### Children Who Received Services Following an Investigation (2002)

Post-investigation services include individual counseling, case management, family-based services, in-home services, foster care services, and court services. They are offered on a voluntary basis by child welfare agencies or ordered by the courts to ensure the safety of children. All available numbers for child victims receiving services, nonvictims receiving services, and total numbers of children receiving services.

ing services are presented. Not all states reported all three categories.

U.S. Department of Health and Human Services, National Center of Child Abuse and Neglect. 2004. *Child Maltreatment 2002: Reports from the States to the National Child Abuse and Neglect Data Systems—National statistics on child abuse and neglect*. Washington, DC: U.S. Government Printing Office.

### **Children Entering Care (FFY 2001)**

Children who entered care between October 1, 2000, and September 30, 2001. From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004. *Child Welfare Outcomes 2001: Annual Report*. Washington, DC: U.S. Government Printing Office.

### **Children in Care (9/30/01)**

Children in foster care on September 30, 2001. From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004. *Child Welfare Outcomes 2001: Annual Report*. Washington, DC: U.S. Government Printing Office.

### **Child Race/Ethnicity (9/30/01)**

Race/ethnicity of children in foster care on September 30, 2001, reported as a percentage of total children. A child's race or ethnicity is counted as Hispanic for all children of Hispanic origin, regardless of race. 0 indicates that the state reported some cases in this category, but the number of cases was less than .05 percent (less than 0.5 percent for United States). From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004. *Child Welfare Outcomes 2001: Annual Report*. Washington, DC: U.S. Government Printing Office.

### **Children in Care by Placement Setting (9/30/01)**

Placement setting of children in care is calculated as a percent based on each state's total cases. Percent totals may not equal 100 because of rounding. 0 indicates that the state reported some cases in this category, but the number of cases was less than 0.5 percent.

U.S. House of Representatives, Committee on Ways and Means. 2004. *2004 Green Book*. Table 11-34. Washington, DC: U.S. Government Printing Office.

### **Receipt of Chafee Foster Care Independent Living Services (2000)**

Eligible youth who received independent living services through the Chafee Foster Care Independence Program. In most states, services are offered to youth beginning between ages 14 and 16 until age 21. Youth who have left foster care but are still under age 21 may also receive services in some states. States provided an exact number or estimate. U.S. total based on the 41 states that provided data.

Child Welfare League of America. 2001. *State Child Welfare Agency Survey*. Washington, DC: Author. <http://ndas.cwla.org>, accessed June 16, 2004.

### **Title IV-E Reimbursed Foster Care Maintenance Payment (SFY 2002)**

Percent of children in out-of-home placements who received a title IV-E reimbursed maintenance payment. States provided either a point estimate or range. Forty-seven states provided data.

2003 Urban Institute Child Welfare Survey.

### **Children Exiting Care (FFY 2001)**

Children who exited foster care between October 1, 2000, and September 30, 2001. Fifty-one states provided data. From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004.

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*Child Welfare Outcomes 2001: Annual Report.* Washington, DC: U.S. Government Printing Office.

### **Exiting Care by Exit Status (FFY 2001)**

Percent of children exiting care between October 1, 2000, and September 30, 2001, by placement status at exit. Discharges for reason other than reunification, adoption, or guardianship include children who were emancipated from foster care because they reached a particular age; were transferred to another system (such as mental health or juvenile justice); or died. From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004. *Child Welfare Outcomes 2001: Annual Report.* Washington, DC: U.S. Government Printing Office.

### **Title IV-E Reimbursed Adoption Subsidy (SFY 2002)**

Percent of children in adoptive placements who received a title IV-E reimbursed adoption subsidy. States provided either a point estimate or range. Forty-four states provided data.

2003 Urban Institute Child Welfare Survey.

### **National Child Welfare Outcomes (2001)**

State performance on the seven national child welfare outcomes. Twelve measures assess performance on the seven outcomes; we present seven of these measures. National standards have been established for five of the seven measures reported. No state has met all the national standards. National averages taken from table 1.

- **1.1 Recurring child abuse:** Percent of children who were victims of substantiated or indicated abuse and/or neglect during the first six months of reporting period who had another

substantiated or indicated report within a six-month period. Based on calendar year. Forty states reported data. From NCANDS.

- **2.1 Incidence of maltreatment in foster care:** Percent of children in care who were the subject of substantiated or indicated maltreatment by a foster parent or facility staff member. Based on the first nine months of calendar year. Thirty-eight states reported data. From NCANDS, AFCARS Annual Foster Care Database Jan–Sept.
- **3.1 Permanency:** Percent of children who exited foster care to a permanent home through reunification with family (including permanent placement with relatives), a finalized adoption, or a legal guardianship. Fifty-two states (inc. Puerto Rico) reported data. From AFCARS Annual Foster Care Database.
- **4.1 Time to reunification:** Percent of children reunified with their parents or caretakers within 12 months of entry into foster care. Fifty-two states (inc. Puerto Rico) reported data. From AFCARS Annual Foster Care Database.
- **5.1 Time in foster care before adoption:** Percent of children exiting foster care to a finalized adoption within 24 months of the latest removal from home. Fifty-two states (inc. Puerto Rico) reported data. From AFCARS Annual Foster Care Database.
- **6.1 Placement stability:** Percent of children in foster care for less than 12 months who experienced no more than two placements. Fifty-two states (inc. Puerto Rico) reported

data. From AFCARS Annual Foster Care Database.

- **7.1 Placements of young children in group homes or institutions:** Percent of children who entered care during the federal fiscal year and were age 12 or younger at placement who were placed in group homes or institutions. Fifty-two states (inc. Puerto Rico) reported data. From AFCARS Annual Foster Care Database.

U.S. Department of Health and Human Services, ACF/ACYF, Children's Bureau. 2004. *Child Welfare Outcomes 2001: Annual Report*. Washington, DC: U.S. Government Printing Office.

## ENDNOTES

1. 1,701,780 referrals were made in the 39 states reporting both screened-in and screened-out referrals. An overall national estimate of 2,600,000 referrals was calculated (in *Child Maltreatment 2002*) by multiplying the national referral rate (35.9) by the population for all 50 states and D.C. (72,894,483).
2. 3,134,694 children were subjects of an investigation or assessment in the 50 states reporting data. An overall national estimate of 3,193,000 children was calculated (in *Child Maltreatment 2002*) by multiplying the national disposition rate (43.8) by the population for all 50 states and D.C. (72,894,483). This estimate does not account for children involved in the third of all referrals that are screened out.
3. 680,236 children in the 39 states reporting data received post-investigation services (470,477 victims and 572,966 nonvictims). National estimates of 526,000 victims and 708,000 nonvictims were calculated (in *Child Maltreatment 2002*) by multiplying the total number of victims and nonvictims for 50 states and D.C. (801,525/2,276,302) by the percent of children who received post-investigation services for the 39 states that reported data (58.7/31.1 percent) and dividing the totals by 100.
4. United States average includes Puerto Rico.
5. Based on 50 states. West Virginia was excluded from the analysis because of a high percentage of missing data.
6. Alabama did not report any cases in the Native Hawaiian/other Pacific Islander category.
7. No children were reported to exit to guardianship.
8. Alaska did not report any cases in the Native Hawaiian/other Pacific Islander or two or more races categories.
9. Alaska did not report any cases in the supervised independent living or runaway status categories.
10. The number of youth receiving Chafee Foster Care Independent Living Services in Arizona was not available.
11. Arkansas did not report any cases in the Native Hawaiian/other Pacific Islander category.
12. California did not submit usable data on the number of abuse and neglect referrals or screened-in reports.
13. California did not report any cases in the supervised independent living category. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.
14. Connecticut did not report any cases in the runaway status category.
15. The percent of children receiving a title IV-E reimbursed foster care maintenance payment was unavailable.
16. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
17. Delaware did not report any cases in the Alaska Native/American Indian, Native Hawaiian/other Pacific Islander, two or more races, and unknown race or ethnicity categories.
18. Delaware did not report any cases in the runaway status and trial home visit categories.
19. The percent of children receiving a title IV-E reimbursed foster care maintenance payment was unavailable.
20. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
21. Washington, D.C., did not report any cases in the Alaska Native/American Indian or Native Hawaiian/other Pacific Islander categories.
22. Washington, D.C., did not report any cases in the supervised independent living and trial home visit categories. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.



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23. Florida did not report any cases in the trial home visit category.
  24. Based on 11 of 15 districts reporting on only 16- and 17-year-old youth.
  25. Georgia did not report any cases in the supervised independent living or trial home visit categories.
  26. Hawaii did not submit usable data on the number of abuse and neglect referrals or screened-in reports.
  27. Hawaii did not report any cases in the supervised independent living category.
  28. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
  29. Idaho did not report any cases in the two or more races or unknown race categories.
  30. Idaho did not report any cases in the supervised independent living category.
  31. No children were reported to exit to guardianship.
  32. Illinois did not report any cases in the Native Hawaiian/other Pacific Islander or two or more races categories.
  33. Illinois did not report any cases in the trial home visit category.
  34. Indiana did not report any cases in the pre-adoptive home or supervised independent living categories. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.
  35. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
  36. Iowa did not report any cases in the Native Hawaiian/other Pacific Islander category.
  37. Iowa did not report any cases in the runaway status or trial home visit categories. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.
  38. Kentucky did not report any cases in the group homes, runaway status, or trial home visit categories.
  39. Louisiana did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  40. Maryland did not submit usable data on the number of abuse and neglect referrals, screened-in reports, or investigations conducted.
  41. Massachusetts did not report any cases in the Native Hawaiian/other Pacific Islander category.
  42. The percent of children receiving a title IV-E reimbursed foster care maintenance payment was unavailable.
  43. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
  44. Michigan did not report any cases in the Native Hawaiian/other Pacific Islander category.
  45. Minnesota did not report any cases in the trial home visit category.
  46. Mississippi did not report any cases in the Native Hawaiian/other Pacific Islander category.
  47. Missouri did not report any cases in the Native Hawaiian/other Pacific Islander category.
  48. Montana did not report any cases in the Native Hawaiian/other Pacific Islander category.
  49. Montana did not report any cases in the pre-adoptive home, supervised independent living, runaway status, or trial home visit categories. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.
  50. Nebraska did not report any cases in the Native Hawaiian/other Pacific Islander category.
  51. Nevada did not submit usable data on the number of abuse and neglect referrals, screened-in reports, or children receiving post-investigation services.
  52. Nevada did not report any cases in the supervised independent living category.
  53. The percent of children receiving a title IV-E reimbursed foster care maintenance payment was unavailable.
  54. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
  55. New Hampshire did not report any cases in the pre-adoptive home, runaway status, or trial home visit categories.
  56. New Jersey did not report any cases in the runaway status or trial home visit categories.
  57. No children were reported to exit to guardianship.
  58. New Mexico did not report any cases in the runaway status or trial home visit categories.
  59. New York did not submit usable data on the number of abuse and neglect referrals, screened-in reports, or children receiving post-investigation services.
  60. New York did not report any cases in the Native Hawaiian/other Pacific Islander or two or more races categories.
  61. New York did not report any cases in the runaway status category.



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62. No children were reported to exit to guardianship.
  63. North Carolina did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  64. The percent of children receiving a title IV-E reimbursed adoption subsidy was unavailable.
  65. North Dakota did not submit usable data on the number of children receiving post-investigation services.
  66. North Dakota did not report any cases in the supervised independent living or trial home visit categories.
  67. Ohio did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  68. Oklahoma did not report any cases in the trial home visit category. Also, the number of youth receiving Chafee Foster Care Independent Living Services was not available.
  69. Pennsylvania did not report any cases in the Native Hawaiian/other Pacific Islander category.
  70. Rhode Island did not report any cases in the trial home visit category.
  71. South Carolina did not report any cases in the unknown race or ethnicity category.
  72. South Dakota did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  73. Tennessee did not submit usable data on the number of abuse and neglect referrals, screened-in reports, or the number of children receiving post-investigation services.
  74. Tennessee did not report any cases in the Native Hawaiian/other Pacific Islander category.
  75. The number of youth receiving Chafee Foster Care Independent Living services in Tennessee was not available.
  76. No children were reported to exit to guardianship.
  77. Utah did not report any cases in the two or more races category.
  78. According to the CWLA report, the number of youth in Utah who receive independent living services is probably underreported.
  79. Vermont did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  80. Vermont did not report any cases in the two or more races category.
  81. The number of youth receiving Chafee Foster Care Independent Living services in Vermont was not available.
  82. No children were reported to exit to guardianship.
  83. Virginia did not report any cases in the Native Hawaiian/other Pacific Islander category.
  84. The number of youth receiving Chafee Foster Care Independent Living services in Virginia was not available.
  85. No children were reported to exit to guardianship.
  86. Wisconsin did not submit usable data on the number of abuse and neglect referrals and screened-in reports.
  87. Wisconsin did not report any cases in the Native Hawaiian/other Pacific Islander or unknown race or ethnicity categories.
  88. Wisconsin did not report any cases in the supervised independent living, runaway status, or trial home visit categories.
  89. No children were reported to exit to guardianship.
  90. Wyoming did not report any cases in the Native Hawaiian/other Pacific Islander category.

# About the Authors

**Cynthia Andrews Scarcella** is a research associate with the Child Welfare Research Program in the Center on Labor, Human Services, and Population at the Urban Institute. Her research has focused on child welfare financing, kinship care, adoption, and related child and family well-being issues. Ms. Scarcella led the analysis of data from the fourth round of the Child Welfare Survey. In addition, she collected and analyzed data for the third round of the survey. Ms. Scarcella is currently involved in the multi-site evaluation of foster youth programs as well as an evaluation of the adoption recruitment program *Wednesday's Child*.

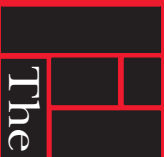
**Roseana Bess** is a research associate with the Child Welfare Research Program in the Urban Institute's Center on Labor, Human Services, and Population. Ms. Bess' research focuses on social services and child welfare-related issues, specifically the financing of services and collaboration between social service systems and agencies. She managed the last two rounds of the Urban Institute Child Welfare Survey.

**Erica Hecht Zielewski** is a research assistant with the Child Welfare Research Program in the Center on Labor, Human Services, and Population at the Urban Institute. Her research experience has focused on adoption, child welfare financing, kinship care, foster youth aging out of care, and other topics related to child well-being. She is currently involved in an evaluation of the *Wednesday's Child* adoption recruitment program and the multisite evaluation of foster youth programs.

**Lindsay Warner** was a research assistant with the Center on Labor, Human Services and Population's Child Welfare Research Program. In addition to her work on the fourth round of the Child Welfare Survey, she was involved with evaluation of the *Wednesday's Child* adoption recruitment program and the multi-site evaluation of foster youth programs.

**Rob Geen** is the director of the Child Welfare Research Program at the Urban Institute, specializing in child welfare and related children, youth, and family issues. Mr. Geen has evaluated a wide range of programs and policies including kinship foster care, child welfare financing, family support and family preservation services, managed care, system reform and system integration efforts, and the effects of welfare reform on the child welfare system.





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